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Measuring Up

Progress Report on the Government of Alberta Business Plan

Annual Report
2006-2007

Alberta

The Government of Alberta Annual Report consists of two parts:

- ***Measuring Up***, which reports on the progress that has been made towards achieving the government's goals.
- ***Consolidated Financial Statements***, which provide an overall accounting of the Government's revenue and spending, and assets and liabilities. *Consolidated Financial Statements* are published in a separate document.

Annual reports for each ministry are published in September and provide additional detailed information on performance and financial results.

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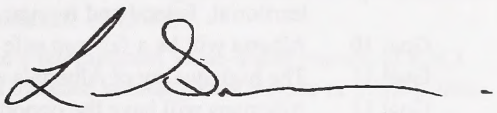
ACCOUNTABILITY STATEMENT

The Measuring Up component of the government's Annual Report for the year ended March 31, 2007 was prepared under my direction on behalf of the government in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 19, 2007 with material economic or fiscal implications have been considered in the preparation of the Annual Report.



Lloyd Snelgrove
President of Treasury Board

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Executive Summary

Measuring Up is part of the government's commitment to be open and accountable to the people of Alberta. It endeavours to go beyond reporting financial information by answering the question: What outcomes did the government achieve with the dollars spent? It indicates whether progress is being made toward the government's goals and whether the government accomplished what it set out to do.

Measuring Up reports on the 14 goals and 65 measures established in the *2006-09 Government of Alberta Strategic Business Plan*. It reports on the Alberta government's performance with respect to its programs and services as well as its performance of government-owned and supported infrastructure.

The following provides a summary of some performance results under key areas of interest:

Economy

Sustainable and diversified economic growth and prosperity are essential to maintaining and improving Albertans' overall quality of life.

- Albertans, once again, had the highest average disposable income of all Canadians. At $32,109, it was nearly $6,000 more than second-place Ontario and 25% higher than the Canadian average of $25,624 (Goal 1).
- Albertans enjoyed the lowest total provincial and municipal tax load in the country (Goal 8).
- Alberta had the highest labour force productivity (Goal 3) and the highest labour force participation rate (Goal 1) among the provinces, with a participation rate of 73.4%.
- Alberta's economy saw an expansion in the province's international value-added exports at $29.3 billion, exceeding the target of $27.7 billion; and an increase in total goods exports at $76.2 billion, exceeding the target of $73.1 billion by 2008 (Goal 3).
- Sponsored-research revenue increased by 45% over the last five years and reached $631.6 million in 2005-06, short of the target of $750 million. Investments in innovation grew significantly from 1.60% to 2.67%, showing positive movement toward the target of 5% by 2015 (Goal 1).

Health and Wellness

Self-reported health status is a good indicator of the health and well-being of Albertans.

- Albertans continue to view themselves as being healthy, with 87% of Albertans aged 18 to 64 years rating their health as good, very good, or excellent, below the target of 90% (Goal 5).

Access to publicly funded health services is a fundamental principle of the health care system.

- 72% of Albertans reported very easy or easy access to physician services, below the target of 86%; and 70% of Albertans reported very easy or easy access to hospital services, below the target of 73%. 55% of Albertans rated our health system as excellent or good, below the target of 68% (Goal 5).

Participation in community and cultural activities and enjoyment of historical sites and parks are essential elements of a quality life.

- Albertans were active members of their communities with 87.6% of adult Albertans surveyed having attended or participated in arts and cultural activities, almost meeting the target of 88% (Goal 12); and 81.3% of Albertans surveyed participated in sport or recreational activities, just short of the target of 83% (Goal 12).

Education

Quality lifelong learning enables Albertans to become responsible, caring, creative, self-reliant and contributing members of society.

- Albertans continue to be well educated with 90% of Albertans ages 25 to 34 having completed high school, meeting the target of 90% or higher (Goal 2). Over 23,000 new apprentices were registered, bringing the total number to a record 60,000 – up 47% in two years (Goal 2).

Employer satisfaction with recent graduates is a direct indicator of the match between workforce skill levels and job requirements.

- 94% of employers surveyed were satisfied with the skills and quality of work of recent advanced education graduates (Goal 2).

Infrastructure

Effective and sustainable infrastructure is essential in achieving Alberta's vision of a vibrant and prosperous province where Albertans enjoy a superior quality of life.

- Overall, the physical condition of Alberta's schools, post-secondary institutions and health facilities were in good or fair condition. Schools and post-secondary institutions met their targets; however, the physical condition of health facilities and provincial highways did not (Goal 14).
- 628 new housing units were funded through provincial affordable housing initiatives to address Alberta's shortage of low-cost housing in high-growth, high-need communities (Goal 14).

Environment

Clean air, water and land are basic to Albertans' health and quality of life.

- Alberta had good air quality 97% of the time, meeting the target of "good" air quality days 97% of the time, and the number of fair air quality days increased (Goal 11).
- Results for the river water quality index were below the results of previous years, not meeting the target of having six out of six river systems rating "good" to "excellent" water quality. This is largely due to increased rainfall and subsequent runoff of contaminants into rivers (Goal 11).

Safe Communities

Albertans want communities in which they can live and raise families in safety and security without fear of personal or property crime, victimization or discrimination.

- Alberta's violent and property crime rates continued to be the lowest of the four western provinces (Goal 10). 88.1% of Albertans indicated that human rights were very or fairly well protected in Alberta, above the target of 88% (Goal 10).
- Support was provided to 95 communities to take local action on family violence and bullying through the Community Incentive Fund program (Goal 4). Support was also provided to children and youth experiencing bullying by establishing a provincial 24-hour/7 days a week bullying helpline and providing resources for youth (Goal 4).

Alberta experienced extraordinary growth in 2006-07; leading all provinces in economic growth for the third consecutive year. Faster-than-expected growth in the economy and population contributed to increased pressures throughout the year. In spite of the pressures on provincial infrastructure, programs and services, Alberta met 58% of its performance targets. Many of the targets not achieved are stretch targets meant to be achieved over a number of years with good progress being made in 2006-07. Of the targets not met, six measures reported improved results over the previous year's results.

AUDITOR GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures and Societal Measures

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the *Government of Alberta 2006-07 Annual Report*. My responsibility is to carry out the following specified auditing procedures on performance measures and societal measures in Measuring Up. I verified:

Completeness

1. Performance measures and targets, and societal measures and desired results matched those included in Budget 2006. Actual results are presented for all performance measures and societal measures.

Reliability

2. Information in reports from external organizations, such as Statistics Canada, matched information used to calculate the actual results.

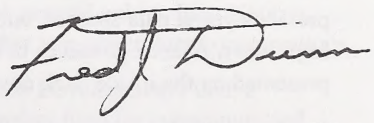
3. Information in reports that originated in the Government of Alberta matched information used to calculate the actual results. In addition, I tested the processes used to compile the results.

Comparability and Understandability

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as prior years' information. Also, actual results are presented on the same basis as targets and desired results.

I found an exception for the Goal 6 measure *Support for Albertans with Severe Disabilities - Number of working days between completed application and decision for AISH applicants*. There was no data reported for this measure; therefore, I was not able to complete procedures 1 to 4 above. Management explains in the Discussion of Measures why data was not reported.

As this examination was limited to these procedures, I do not express an opinion on whether the set of performance measures and societal measures is relevant and sufficient to assess the performance of the Government of Alberta in achieving its goals.



FCA
Auditor General

Edmonton, Alberta
June 19, 2007

Guide to Discussion and Analysis

- The *Government Accountability Act* requires the government to annually publish a consolidated annual report for the Province of Alberta that includes a comparison of its performance results to the performance targets established in the three-year government business plan. The Act also requires an explanation of any significant variances between results and targets.
- 2006-07 Measuring Up reports on the 14 goals, the 65 measures, and the numerous government strategies established in the 2006-09 Government Business Plan. Reporting on the measures and strategies provides information on the progress made toward goal achievement.
- Goals 1 to 13 focus on measuring the government's performance with respect to its programs and services. They include graphs that provide information pertaining to the government expense directed toward achieving the goal. The expense information is derived from the Expense by Function amounts reported in the 2006-07 Consolidated Statement of Operations.
- Goal 14 is aligned with the 2006-09 Capital Plan and focuses on performance with respect to government-owned and supported infrastructure. A graph illustrating Capital Plan spending is presented.
- Each goal has three sections:

  Discussion and Analysis – This section provides a brief description of the goal statement and the progress that has been made on strategies related to the goal, including the government's eight Top Priorities, the focus of the 2006-09 Government Business Plan. The eight Top Priorities and related goals are:

  1. Building and Educating Tomorrow's Workforce (Goal 1)
  2. Using and Respecting the Land (Goal 1)
  3. Improving Alberta's Health System (Goal 5)
  4. Building Aboriginal Self-Sufficiency (Goal 7)
  5. Reviewing Tax Policy (Goal 8)
  6. Saving Lives and Reducing Injury on Alberta Highways (Goal 10)
  7. Protecting People's Private Information (Goal 10)
  8. Building Infrastructure for Our Future (Goal 14)

  Discussion of Measures – This section discusses the results of the measures, reasons for any significant variance from targets, and progress that has been made on goal strategies that are closely related to the respective measure.

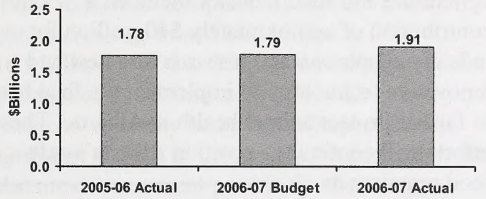
  Measures – This section presents a table of the measures for each of the goals, presenting historical results, the most current results, and the 2006-07 target levels.

- Further details on the measures, such as the methodology, any changes in the methodology from previous years, data sources, and general factors that may impact results, are available online at http://www.finance.gov.ab.ca or by contacting Alberta Finance using the contact information presented on the inside back cover of this report.
- In addition to the performance results in Measuring Up, more detailed performance information is reported in ministry annual reports published each fall. Ministry performance information reports on ministry business plan goals and related measures that are linked to the government goals.
- The 2007-10 Government Business Plan, published as part of Budget 2007, shows the government's current strategic priorities for achieving its goals. These strategic priorities reflect the government's response to changes in circumstances, external events and issues of importance to Albertans.

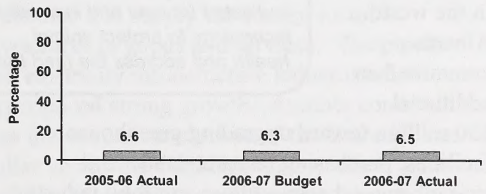
Discussion and Analysis

Sustainable and diversified economic growth and prosperity are highly valued by Albertans, and are essential to maintaining and improving Albertans' overall quality of life. Key to economic strength and stability are innovation, value-added diversification and the wise use of Alberta's natural resources. In 2006-07, the Alberta government directed $1,908 million toward the promotion of a diversified and prosperous economy.

Goal One Expense



Percent of Total Expense



This goal includes spending of the following ministries: Advanced Education and Technology; Agriculture and Food; Employment, Immigration and Industry; Energy; Finance; Infrastructure and Transportation; Service Alberta; Sustainable Resource Development; and Tourism, Parks, Recreation and Culture.

To address the government's top priority of **Building and Educating Tomorrow's Workforce**:

- Labour force plans for the retail industry and draft plans for the tourism and hospitality, construction, manufacturing and energy industries were developed, and then validated with industry associations.
- Meetings focusing on Aboriginal workforce needs were held with representatives from the Métis Nation of Alberta, Treaty 7 First Nations, Métis Settlement General Council, Treaty 6 First Nations and Treaty 8 First Nations to develop labour force development action plans.

This top priority also supports the achievement of Goal 2: Albertans will be well prepared for lifelong learning and work.

To address the government's top priority of **Using and Respecting the Land**, good stewardship of Alberta's natural resources was the government's focus. Significant effort went into raising public awareness of landscape management issues, consulting with stakeholders and developing an overarching vision and outcomes for land use in Alberta. The development and implementation of an Alberta Biodiversity Monitoring Program also continued and included involvement from the energy and forest industries, as well as the Government of Canada. Work on the provincial Land-use Framework included stakeholder focus group sessions attended by 500 Albertans and a Cross-Sector Land-use Forum for 150 stakeholder representatives. This top priority integrates with the Sustainable Resource and Environmental Management strategy in Goal 11.

An aggressive mountain pine beetle management plan was developed and implemented. This included extensive surveys and single-tree control projects, continuation of the Mountain Pine Beetle Municipal Grant Program, and work with the forest industry to amend harvest plans so Alberta's pine forests are less susceptible to beetle infestation. Further work included a summit meeting and the creation of an advisory committee with representatives from all orders of government, the general public, First Nations, industry and other non-government organizations.

The Alberta government implemented an aggressive mountain pine beetle management plan.

The Rural Alberta Development Fund, a $100 million project fund for community-led projects contributing to the growth, prosperity or quality of life of rural Alberta, became operational in late 2006. In addition to the fund, the Government of Alberta also provided support to stakeholders in the Lesser Slave Lake and Wood

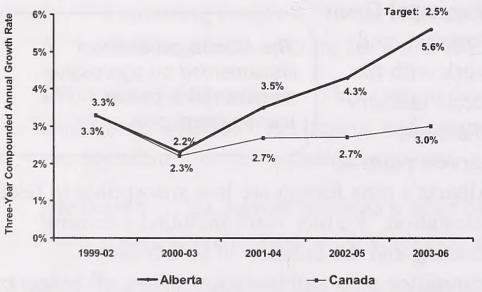
Buffalo regions to assist with their respective regional economic strategic planning process.

The development of strategies began for maximizing the value of natural resources through more intensive processing, development of new market outlets, and improvement of technology applications. This included assisting "Industrial Heartland" municipalities and industries develop plans for major bitumen processing plants.

Discussion of Measures

Gross Domestic Product (GDP) – GDP is a measure of the value of all final goods and services produced in Alberta in a given year. The Alberta economy turned in an impressive performance in 2006, continuing significant year-over-year increases from 2000 onwards, with a real GDP three-year average growth rate of 5.6 %, exceeding the target of 2.5%. In 2006, the Alberta economy enjoyed broad-based growth that was supported by higher corporate profits, robust investment and construction activity, a healthy labour market, strong consumer expenditures and growth in manufacturing.

Gross Domestic Product



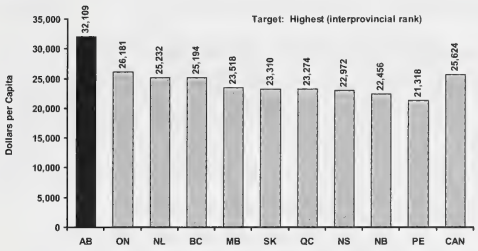
Distribution of Gross Domestic Product – To help strengthen Alberta's economy and enhance its long-term economic stability, the provincial government encourages growth of the province's value-added industries. In 2006, the Alberta economy was booming, which resulted in strong growth for most industry sectors. However, agriculture and forestry's economic output declined because of lower crop production, causing its share of GDP to fall by 0.1 percentage points to 2.4%. Due to falling production of conventional gas and especially oil in recent years, mining and energy's share dropped by 0.5 percentage points to 15.2% in 2006. Because of new oil sands construction projects and record housing starts, output for the construction industry surged in 2006, leading to a sharp rise of 0.7 percentage points to 11.6% for the construction and utilities sector.

Investments by the Government of Alberta, in partnership with the federal government, in the agriculture and food industry included a contribution of approximately $40 million for industry adaptation and research into new and innovative technology to implement the feed ban, to further protect animal health in Alberta. These efforts will continue to position Alberta's safe food practices as among the best in the world. Alberta committed an additional $30 million toward upgrading greenhouse facilities, purchasing research lands, and strengthening the agriculture and food industry's long-term research capacity. Albertans were consulted on the future course of agricultural policy, to help ensure Alberta's position is represented in ongoing Agriculture Policy Framework negotiations with other provinces, the territories and the federal government, and to advocate for programs and tools to help producers make the decisions necessary to mitigate the inherent risks in the agriculture and food industry.

Approximately $40 million was dedicated for new and innovative technology to protect animal health and address the feed ban.

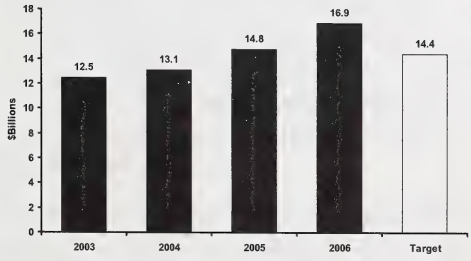
Personal Disposable Income – Personal disposable income per capita is an important measure of the well-being of consumers. At $32,109, Alberta met the target of highest average personal disposable income per capita of any province in 2006, up from $29,520 in 2005, and 25% higher than the Canadian average of $25,624.

Personal Disposable Income (2006)



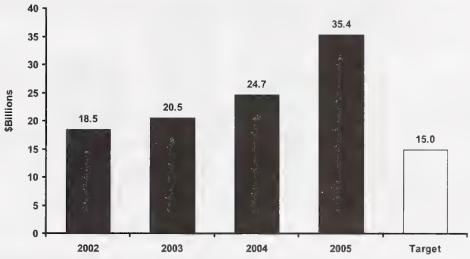
Investment in Manufacturing and Service Industries – Investment in manufacturing and service industries continued its upward trend in 2006, increasing from $14.8 billion in 2005 to $16.9 billion in 2006. The 2006 result exceeded the target of $14.4 billion by 17%. The strong provincial economy had a direct impact on this significant growth in investment; in particular, the substantial investment growth for the energy sector, which resulted in investment growth for industries that supply the energy sector's investment in goods and services. The pipeline and electricity infrastructure industries also experienced strong growth. Another contributor was the continuous decline of the United States dollar versus the Canadian dollar, which made machinery and equipment imports from the United States more affordable for Canadian investors and encouraged strong investments in Alberta.

Investment in Manufacturing and Service Industries



Upstream Oil and Gas Industry Investment in Alberta – Annual capital expenditure in Alberta on exploration and development of conventional oil and gas resources and the oil sands increased from $24.7 billion in 2004 to $35.4 billion in 2005, an increase of 43%. The result also far exceeded the target of $15 billion.

Upstream Oil and Gas Industry Investment in Alberta



Both the conventional oil and gas, and the oil sands components of the measure reached record levels in 2005. Alberta's conventional oil and natural gas investment (at $24.92 billion) was led by record-high oil and gas prices, and record drilling activity; investment in the oil sands sector (at $10.44 billion) was primarily driven by high levels of spending at several major oil sands projects and growing global recognition of Alberta's oil sands resources.

A committee comprised of representatives from local, provincial and federal governments, First Nations, Métis, industry and environmental groups, was established to hold public consultations on the future development of the oil sands. Consultations were conducted in locations across Alberta, and were followed by a summit meeting with leaders from key stakeholder sectors to provide additional input. Draft recommendations for a vision for oil sands development and principles were developed. A second round of consultations were held in March and April 2007, including additional consultations with First Nations and Métis.

An Energy Innovation Fund was established to support sustainable and responsible energy development and environmental protection, with a focus on research, advanced technologies, market development and innovative projects focusing on energy supply and protection of the environment.

A consultation on coalbed methane development was completed and a final report was issued.

The new Incremental Ethane Extraction policy was introduced by the Alberta government to promote availability of increased ethane feedstock to the petrochemical industry, to expand opportunities for value-added upgrading and to encourage diversification in the energy industry.

To encourage the development of facilities producing various bio-fuels, including bio-diesel and ethanol, the Bio-refining Commercialization and Market Development Program and the Bio-energy Infrastructure Development Program were established. These programs will also support studies to assess the long-term sustainability of the bio-energy marketplace in Alberta.

Investors continued to show confidence in Alberta's competitive electricity market framework, as over 450 megawatts of new electricity generation was brought on line. Over 190 megawatts of this generation was wind power, with the remainder being natural gas and cogeneration. A new electricity transmission regulation was developed, to make the regulatory process more efficient and to allow the regulatory process to ensure fair compensation to landowners for transmission facilities located on their properties. Alberta consumers saved on winter heating bills, thanks to Alberta's Natural Gas Rebate Program. All Alberta residential consumers received a rebate on their natural gas costs in each month from November to March of the 2006-07 year.

All Alberta residential consumers received a rebate on their natural gas costs in each month from November to March.

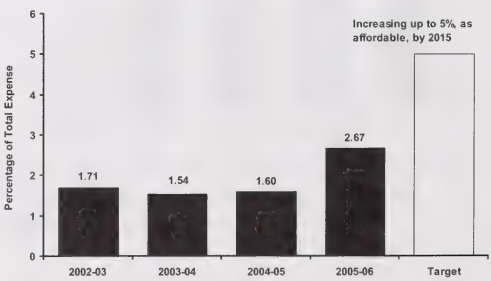
Labour Force Participation Rate – The labour force participation rate represents the percentage of the working-age population that is employed or actively seeking employment (i.e., unemployed). The inter-provincial rank of labour force participation is an indicator of Alberta's effectiveness in addressing labour force needs, relative to that of other provinces.

In 2006, the labour force participation rate for Alberta was 73.4%, which ranked first in Canada and as such met the target for this performance measure. The Government of Alberta contributed to this result through the provision of a wide range of programs and services and collaboration with industry, partners and other levels of government.

Alberta had the highest labour force participation rate in Canada.

Government Support for Innovation – Investments by the Government of Alberta to support innovation totaled over $727 million and amounted to 2.67% of total government expenditures in 2005-06. The increase in percentage of government spending on innovation is significantly higher than in past years due to a $200 million top up to the Alberta Heritage Foundation for Medical Research endowment fund and a $100 million top up to the Alberta Ingenuity endowment fund. The percent of total government expenditures to support innovation has climbed since 2003-04, showing positive movement toward the target of 5% by 2015.

Government Support for Innovation



To advance Alberta's innovative capacity and capabilities, the government provided leadership and strategic investments in research and science and technology initiatives that are undertaken in the priority areas of energy, information and communications technology and the life sciences.

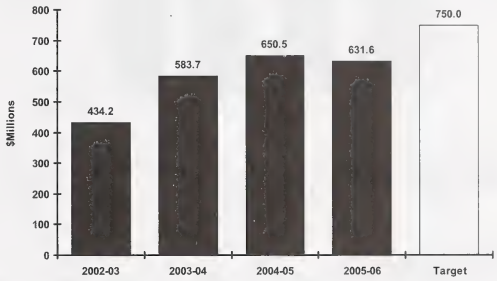
Through the Energy Innovation Fund projects were undertaken in water, bioenergy, clean coal, hydrocarbon upgrading and converting municipal waste to electricity.

The Government of Alberta's commitment to nanotechnology was noted at the $52.2 million state-of-the-art National Institute for Nanotechnology facility opening in Edmonton in 2006. This is a collaboration between the Government of Alberta, the University of Alberta and the federal government. The facility provides optimal conditions for nano-scale research and collaboration, and is helping make Alberta one of the world's leaders in this highly sophisticated and specialized science.

Sponsored Research at Alberta Universities – University research activities directly result in innovation, research and development, which are key factors in Alberta's economic success. The ability of universities to attract research funding is an indicator of the quality of the university's faculty and research programs, and is an important measure of the capability of Alberta's research system. Alberta supports research excellence through competitive targeted programs and agencies such as the Alberta Heritage Foundation for Medical Research and Alberta Ingenuity. In 2005-06, the Government of Alberta provided 27.5% of the sponsored research revenue at Alberta's universities.

In 2005-06, sponsored research revenue at Alberta universities was $631.6 million, which was short of the target of $750 million set for 2006-07. The decrease in total sponsored research funding from $650.5 million in 2004-05 to $631.6 million in 2005-06 is mainly attributable to the completion of university capital projects which garnered significant investments from the Alberta government in previous years. However, sponsored research revenue at Alberta universities has increased by 45% over the last five years.

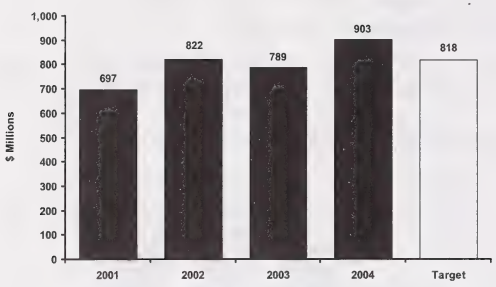
Sponsored Research at Alberta Universities



Business Expenditures on Research and Development – Investments in research result in innovative ideas, products and processes that, if commercialized in Alberta, have the potential to yield significant economic and social benefits for the province. Businesses invest in research with the expectation of economic benefit by using science and technology, as well as other sources of innovation, to meet or create market needs. This measure is one way the Government of Alberta monitors progress toward creating an environment where great ideas are more likely to be developed and brought to market in Alberta.

Alberta business expenditure on research and development has increased substantially. In 2004, business expenditure on research was $903 million, exceeding the target. The government influenced the outcome through the provision of research funding programs where business investment in proposed projects is a factor in funding decisions.

Business Expenditures on Research and Development



The Alberta government worked with partners to support the implementation of the *Accelerating Innovation in Alberta* strategy to ensure there are mechanisms to help industry work with the research community to apply research findings. These mechanisms include facilitating appropriate management assistance, mentoring and entrepreneurial skills coaching to start-up and small businesses.

Measures

Societal Measures	Previous Years' Results			Current Results	Desired Results 2006-09
Gross Domestic Product (GDP)					
Three-year compounded annual growth rate of real GDP.	2.3% r (2000-03)	3.5% r (2001-04)	4.3% (2002-05)	5.6% (2003-06)	2.5%
Source: Statistics Canada – Provincial Economic Accounts, and Finance					
Distribution of Gross Domestic Product					
Three-year average of the percentage of real GDP by selected industry sectors:					
Agriculture and Forestry	2.2% r	2.2% r	2.5%	2.4%	2.2%
Mining and Energy	16.3%	16.1% r	15.7% r	15.2%	16.0%
Manufacturing	9.7% r	9.5% r	9.4% r	9.5%	10.9%
Construction and Utilities	10.6%	10.6% r	10.9% r	11.6%	10.2%
Business and Commercial Services	10.3% r	10.4% r	10.3% r	10.2%	10.8%
Other Services	50.9% r (2001-03)	51.3% r (2002-04)	51.2% r (2003-05)	51.1% (2004-06)	50.0%
Source: Statistics Canada – Provincial Economic Accounts, and Employment, Immigration and Industry					
Personal Disposable Income					
Current dollars per capita (inter-provincial rank).	$25,924 r (highest) (2003)	$27,742 r (highest) (2004)	$29,520 r (highest) (2005)	$32,109 p (highest) (2006)	Highest
Source: Statistics Canada – Provincial Economic Accounts					

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Measures (cont'd)

Performance Measures	Previous Years' Results			Current Results	2006-07 Targets
Investment in Manufacturing and Service Industries					
Value of new capital expenditures on construction, machinery and equipment in Alberta's manufacturing and service industries (percentage change). Source: Statistics Canada and Employment, Immigration and Industry	$12.5 billion (6.1%) (2003)	$13.1 billion (4.6%) (2004)	$14.8 r billion (13.2% r) (2005)	$16.9 billion (14.3%) (2006)	$14.4 billion (7.0%)
Upstream Oil and Gas Industry Investment in Alberta					
Annual capital expenditure in Alberta on exploration and development of conventional oil and gas resources and the oil sands. Source: Canadian Association of Petroleum Producers	$18.5 billion (2002)	$20.5 billion (2003)	$24.7 billion (2004)	$35.4 billion (2005)	$15 billion
Labour Force Participation Rate					
Inter-provincial rank of labour force participation (as a percentage of the working age population). Source: Statistics Canada and Employment, Immigration and Industry	#1 (73.5%) (2003)	#1 (73.5%) (2004)	#1 (72.7%) (2005)	#1 (73.4%) (2006)	#1 (highest among the provinces)
Government Support for Innovation					
Percentage of Government of Alberta expense used to support innovation. Source: Statistics Canada and Government of Alberta Annual Report	1.71% (2002-03)	1.54% (2003-04)	1.60% (2004-05)	2.67% (2005-06)	Increasing up to 5%, as affordable, by 2015
Sponsored Research at Alberta Universities					
Total sponsored research revenue attracted by Alberta universities. Source: Research Funding at Alberta Universities 2005-06 Report, Advanced Education and Technology	$434.2 million (2002-03)	$583.7 million (2003-04)	$650.5 million (2004-05)	$631.6 million (2005-06)	$750 million
Business Expenditures on Research and Development					
Alberta business expenditures on research and development. Source: Statistics Canada's report "Total spending on research and development in Canada, 1990 to 2006, and provinces, 1990 to 2004"	$697 million (2001)	$822 million (2002)	$789 million (2003)	$903 million (2004)	$818 million

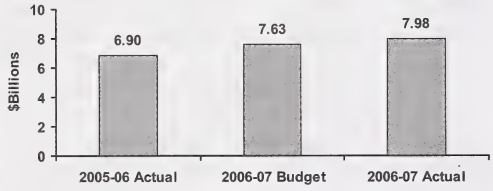
For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup07/index.html

Discussion and Analysis

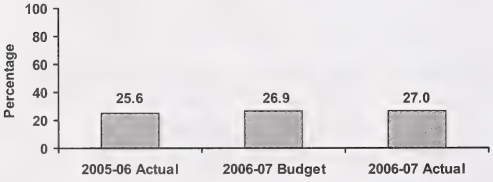
Quality lifelong learning and human resource development enables Albertans to become responsible, caring, creative, self-reliant and contributing members of society. In 2006-07, the Alberta government directed $7,975 million toward the preparation for lifelong learning and work.

Results in the learning system are cumulative and reflect years of investment of resources and effort by the province, school boards, post-secondary institutions, staff throughout the system, learners and their families. The results indicate that Alberta's learning system provides high quality learning opportunities for Albertans and prepares them for lifelong learning and work.

Goal Two Expense



Percent of Total Expense

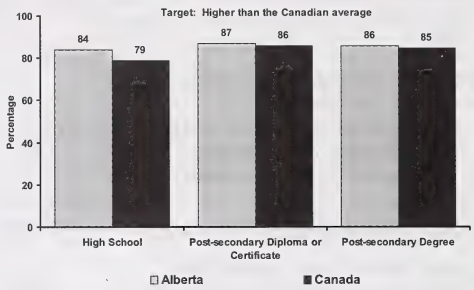


This goal includes spending of the following ministries: Advanced Education and Technology; Education; Employment, Immigration and Industry; and Infrastructure and Transportation.

Discussion of Measures

Employment Rates of Albertans Aged 25-34 by Highest Level of Education – Employment rates for Albertans aged 25-34 by level of education are an indicator that young adults in Alberta are prepared for the workforce. Individuals with higher education levels have higher employment rates than those with lower levels of education, suggesting that higher levels of education are related to enhanced employability in the workplace. However, it is noteworthy that employment rates were higher in Alberta at all levels of education than the respective Canadian averages in recent years. This in all likelihood is a reflection of the buoyant Alberta economy and the consequent abundance of employment opportunities.

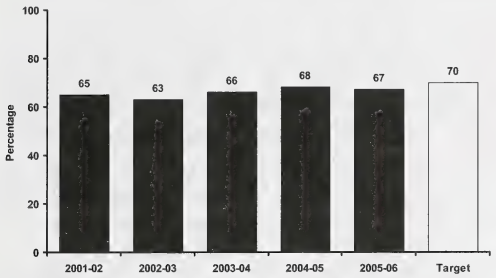
Employment Rates of Albertans Aged 25-34 (2006)



Literacy and Numeracy Grade 9 – Part of helping Albertans become independent is ensuring that they have the knowledge and skills to participate in a changing economy and workforce. An essential component of this is having the necessary literacy and numeracy skills to function in society. Students who achieve the acceptable standard on Grade 9 Provincial Achievement Tests have the necessary skills to become literate and numerate adults. In 2005-06, 77% of students in Grade 9 achieved the acceptable standard in language arts, a slight decrease over time and short of the target of 80% set for 2006-07. Also, in 2005-06, 67% of Grade 9 students achieved the acceptable standard in mathematics, a slight increase over time, but short of the target of 70% set for 2006-07.

77% of Grade 9 students achieved acceptable standards in language arts, and 67% in mathematics.

Numeracy – Math
(Students achieving the acceptable standard in math)



To improve success for students and contribute to the development of students' reading, writing and math skills, the province:

- provided ongoing funding for the Class Size Initiative. Average class sizes have been reduced at all grade levels, and the class size guidelines have been met at all levels except Kindergarten to Grade 3;
- provided ongoing funding under the Alberta Initiative for School Improvement, which school authorities can use for priority improvement areas;
- revised and updated student programs and resources on an ongoing basis, and ensured that tests reflected the curriculum; and
- continued implementation of the Accountability Pillar of the Renewed Funding Framework, which gives jurisdictions a consistent evaluation of their success on a concise set of measures, including provincial achievement test results, and enables shortfalls to be addressed.

In the most recent Adult Literacy and Life Skills survey, conducted in 2003, Alberta, along with British Columbia, Saskatchewan and the Yukon, had proficiency scores that were significantly above the national average in all four domains (prose literacy, document literacy, numeracy and problem solving). The Canadian result in 2003 for prose literacy (58%) was similar to the 1994 adult literacy survey result.

Educational Attainment of Albertans – High school completion provides young people with entry-level knowledge and skills for employment and further study. Education programs in Alberta have demanding learning expectations for students. Completion of these programs is an indication that students are prepared for their next step, whether the world of work or further study.

90% of Albertans aged 25-34 completed high school.

The high school completion rate for Alberta's Kindergarten to Grade 12 education system has increased steadily in recent years, from 73% in 1999-00 to 78% in 2005-06 based on tracking grade 10 students for five years. However, more improvement is needed, as high school completion is increasingly important for students' future success. To address this, improving high school completion was identified as a government priority. A symposium to explore reasons why students leave school before completing and what could be done to improve high school completion rates was held involving educators, young people, parents, business and community representatives.

Survey results indicate that in 2006, 90% of Albertans aged 25-34 reported completing high school. Results have been relatively stable over time, and the target of 90% or higher was met. The high percentage of Albertans aged 25-34 that have completed high school may indicate that many of those who did not complete high school in the K-12 system do so as young adults. It may also reflect:

- growing awareness among young Albertans of the relationship between their educational attainment and their employability in a labour market where jobs increasingly require higher-level knowledge and skills; and
- the educational attainment of young adults moving to Alberta, as in-migration has increased in recent years.

The social benefits of an educated population include reduced crime, better population health outcomes, and higher levels of voter participation. Attaining a post-secondary credential equips individuals with valuable skills and knowledge for participation in the labour market. Persons with post-secondary education typically experience higher labour market participation, lower unemployment, higher wages, and higher job satisfaction.

The percentage of Albertans aged 25-64 with post-secondary credentials has increased since 2001. In 2006, Alberta achieved its target of 58%. Alberta is on par with the Canadian average; however, the number of Canadians completing post-secondary education is increasing at a faster rate. The strong economic market in Alberta may play a role in enticing potential learners from participating and current students from completing post-secondary programs.

Persons with post-secondary education typically experience higher labour market participation, lower unemployment, higher wages, and higher job satisfaction.

Results from the *A Learning Alberta* review were released. This review developed a comprehensive set of recommendations to guide Alberta's advanced education system over the next 20 years. Specific recommendations included increasing access for Aboriginal Albertans, implementing incentives for rural students, and rewarding excellence and quality in the advanced education system.

Alberta led a Council of Ministers of Education Canada committee on quality assurance which resulted in all provinces and territories endorsing a Statement on Quality Assurance of Degree Education in Canada. The statement is to provide assurance to the public that new institutions have met high standards, to provide a context for identifying how degree credentials compare in level and standard to those in other jurisdictions, and to improve student access to further study at the post-secondary level.

A new Tuition Fee Policy and associated regulation was proclaimed. Future tuition fee increases will be moderated by linking the increase to the change in Alberta Consumer Price Index, starting in fall 2007. This policy will save the average two-year diploma student $1,600 and the average four-year undergraduate student more than $3,800 during the course of their studies. The Alberta government will invest an additional $136 million over the next three years to support the new tuition policy. Those dollars will flow to post-secondary institutions to make up for lower tuition revenue.

Government recognizes the importance of improving the educational attainment levels of Albertans, to increase overall skill levels in a highly competitive labour market. At the post-secondary level, government supported initiatives and policies to increase accessibility through funding additional spaces at post-secondary institutions. New spaces were created in 2006-07 across the system in all program areas but with priority placed on health, energy, graduate studies, apprenticeship and Aboriginal education.

Affordability of post-secondary programs was addressed through the Affordability Framework. As identified in the Framework, proposed changes to student financial assistance were announced in November 2006 and February 2007. Medical residents and students with new household members will no longer have to pay interest or make payments on their loans for up to 12 months. Changes will be made to bursary limits for part-time students and grants for students with disabilities. Additionally, funding from existing student assistance budgets has been reallocated to implement four priority components of the Framework in 2007-08: increased allowances for basic costs such as food and rent; increased annual loan limits; elimination of

At the post-secondary level, government supported initiatives and policies to increase accessibility and affordability.

provincial vehicle exemptions; and matching of reductions in parental contribution levels made in the federal loan program.

Building and Educating Tomorrow's Workforce is a comprehensive labour strategy announced by government in 2006. This initiative is focused on helping ease the labour shortage by working with industry and institutions to inform, attract, develop and retain skilled workers to meet the needs of the Alberta economy for more qualified workers. One focus of *Building and Educating Tomorrow's Workforce* is to increase labour force participation of underrepresented groups.

Building and Educating Tomorrow's Workforce is a comprehensive labour strategy focused on easing the labour shortage.

The Millennium Alberta Rural Incentive Bursary program, developed in partnership with the Canada Millennium Scholarship Foundation, was implemented in August 2006. The bursary provides eligible rural Albertans with a grant of up to $1,000 for their first and second years of study, if enrolled in a program of at least two years in length.

An Aboriginal college matching component from the Access to the Future Fund was approved with broad parameters communicated to eligible institutions. Six First Nations colleges were allocated a total of $1.2 million through the Access to the Future Fund in support of access, affordability and quality initiatives.

Adult Participation in Learning – Adult participation in learning opportunities is an investment in Alberta's future. The Government of Alberta recognizes the importance of Albertans attending post-secondary programs. A substantial portion of provincial spending is directed to the post-secondary system each year. At the post-secondary level, the government supports and implements initiatives directed to increasing accessibility through the number of available seats, by providing financial assistance to learners, and by promoting distance learning.

Adult Albertans aged 18-34 were surveyed to determine if they had taken some education or training in the past year. The percentage of Albertans aged 18-34 participating in post-secondary programs peaked at 20% in 2002 and has slowly been declining. At 18%, Alberta's result for 2006 did not meet the target set (21%). The participation rate of this age group has remained below the Canadian average. Alberta's strong economy, which provides ample employment opportunities for young adults, may have impacted participation rates. In 2006, Alberta experienced a record employment growth of 4.8%.

The percentage of Albertans aged 18-34 participating in post-secondary programs has declined since 2002.

Participation in Alberta's apprenticeship and industry training system grew dramatically during 2006. Over 23,000 new apprentices were registered, bringing the total number of apprentices being trained to a record 60,000 – up 47% in two years and 141% in ten years. In 2006-07, the number of apprenticeship technical training seats scheduled in colleges outside of Edmonton and Calgary were increased by 26% as compared to the previous academic year. In addition, apprentices from over 80 communities across Alberta are receiving their technical training by distance delivery, allowing them to continue to live and work in their local community. A Youth in Transition to Apprenticeship Project started operations. The project assists in connecting young people (aged 18-30), and others who want a career in the trades, with employers who are looking for apprentices.

Participation in Alberta's apprenticeship and industry training system has increased 47% in the past two years.

Lifelong Learning – The Government of Alberta supports and encourages Albertans to continue to learn and realize their goals. Lifelong learning reflects a desire for ongoing improvement in access to learning opportunities for Albertans to increase their overall skill level in a competitive labour market.

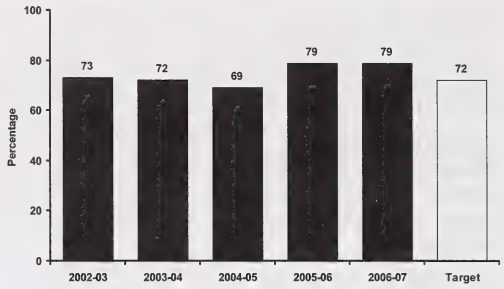
To provide access to part-time non-credit adult learning opportunities, the Government of Alberta supports 83 Community Adult Learning Councils. These organizations provided 65,615 registrations in 4,825 courses in adult basic literacy and English as a Second Language programming and employability enhancement and community issues workshops. An additional 12,120 registrants participated in 1,127 general interest learning opportunities.

Professional development in English as a Second Language and developing culturally appropriate programming was offered to over 130 community-based providers, to increase the capacity of community-based learning programs to serve Aboriginal and immigrant learners.

In 2006-07, 79% of survey respondents (Albertans aged 17 and over) were satisfied that adult Albertans have access to the education and training they want, which is higher than the target of 72%. The government continues to focus on improving access, affordability and quality of the advanced education system through the *Access to the Future Act*, Affordability Framework, and *Building and Educating Tomorrow's Workforce* to attract more learners. The government is working with post-secondary institutions to be adaptable to the changing needs of learners, supporting part-time and long distance learning.

79% of survey respondents were satisfied that adult Albertans have access to the education and training they want.

Lifelong Learning
(Public satisfaction that adults can access the education or training they want)



Employment Rate of Recent Alberta Advanced Education Graduates – The employment rate of recent graduates is an indicator of the preparedness of Alberta post-secondary graduates for the labour market. In 2005-06, two years after graduation, 97% of certificate, diploma and university graduates were employed. In 2006-07, two years after graduating from an apprenticeship program, 97% of journeypersons were employed, meeting the target of 97%.

The high levels of employment are indicative of the high demand for labour and more importantly the high quality education and training available in the province. Quality education is important to the government as it prepares individuals for the workforce.

Skill Development – Employers who hire recent graduates can offer valuable opinions on how well graduates are prepared for the world of work. Their satisfaction with graduates who are working for them is a key indicator of the quality of outputs from Alberta's advanced learning system. Employer satisfaction with recent advanced learning system graduates is a direct indicator of the match between workforce skill levels and job requirements, which supports the competitiveness of Alberta businesses.

94% of employers were satisfied with advanced system graduates.

In 2005-06 the survey asked employers, who employed recent graduates, about their overall satisfaction with the skills and quality of work of recent degree, diploma, certificate and journeyperson certificate graduates. For 2005-06 employer satisfaction with advanced education system graduates was 94%. The biennial survey was not conducted in 2006-07; employers will be next surveyed in 2007-08.

The government is undertaking strategies intended to address the increased demand for quality skilled labour. It is adopting strategies to encourage increased industry participation and investment in the apprenticeship and industry training system and to continue to ensure the apprenticeship and industry training system is responsive to the needs of industry. The Alberta Science and Research Authority is working to increase Alberta's high quality people capacity. The Campus Alberta Quality Council establishes criteria for reviewing graduate and undergraduate programs to ensure that graduates have high quality skills and abilities. Career exploration opportunities are available to high school students through Career and Technology Studies, Knowledge and Employability courses, and the Registered Apprenticeship Program.

Measures

Societal Measure	Previous Years' Results			Current Results	Desired Results 2006-09
Employment Rates of Albertans Aged 25-34 by Highest Level of Education					
High school completion.					
Alberta	84%	81%	82%	84%	Higher than the Canadian average
Canada	79% (2003)	79% (2004)	79% (2005)	79% (2006)	
Post-secondary diploma or certificate.					
Alberta	87%	87%	87%	87%	Higher than the Canadian average
Canada	85% (2003)	86% (2004)	86% (2004)	86% (2006)	
Post-secondary degree.					
Alberta	88%	85%	85%	86%	Higher than the Canadian average
Canada	84% (2003)	84% (2004)	84% (2005)	85% (2006)	

Source: Statistics Canada – Labour Force Survey

Measures (cont'd)

Performance Measures	Previous Years' Results			Current Results	2006-07 Targets
Literacy and Numeracy					
Percentages of all students in grade 9 who achieve the acceptable standard on Provincial Achievement Tests:					
Language Arts	78% (2002-03)	78% (2003-04)	78% (2004-05)	77% (2005-06)	80%
Mathematics	63% (2002-03)	66% (2003-04)	68% (2004-05)	67% (2005-06)	70%
Source: Education					
Educational Attainment of Albertans					
High school completion (aged 25-34).	89% (2003)	90% (2004)	91% (2005)	90% (2006)	90% or higher
Post-secondary completion (aged 25-64).	56% (2003)	56% (2004)	58% (2005)	58% (2006)	58%
Source: Statistics Canada – Labour Force Survey					
Adult Participation in Learning					
Participation in post-secondary education (aged 18-34)	19% (2003)	19% (2004)	19% (2005)	18% (2006)	21%
Source: Statistics Canada – Labour Force Survey					
Lifelong Learning					
Public satisfaction that adult Albertans can access the education or training they want.	72% (2003-04)	69% (2004-05)	79% (2005-06)	79% (2006-07)	72%
Source: Public/Adult Learners/Adult Non-Learner Survey; Advanced Education and Technology and Education					
Employment Rates of Recent Alberta Advanced Education Graduates (biennial survey)					
Post-secondary diploma or certificate.	n/a*	n/a	97% (2005-06)	n/a	n/a
University degree.	n/a*	n/a	97% (2005-06)	n/a	n/a
Journeyperson.	n/a*	97% (2004-05)	n/a*	97% (2006-07)	97%
Source: Graduate Outcomes Surveys; Advanced Education and Technology and Education					
Skill Development (biennial survey)					
Employer satisfaction with recent graduates' skills and quality of work.					
Advanced education system graduates.	n/a*	91% (2001-02)	90% (2003-04)	94% (2005-06)	n/a
High school graduates.	n/a	n/a	n/a	77% (2005-06)	n/a
Source: Employer Satisfaction Survey; Advanced Education and Technology and Education					

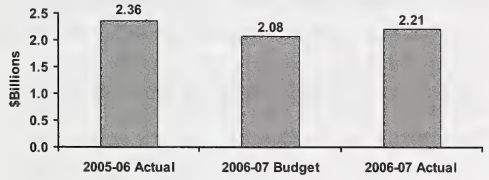
n/a* Not applicable (biennial survey).
n/a Data not available.

For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup07/index.html

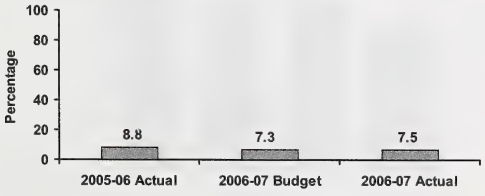
Discussion and Analysis

Global competitiveness is key for sustaining the momentum of the Alberta economy. Global competitiveness is determined by numerous factors, including natural resources, climate, labour skill levels, and investment in human and physical capital, as well as the business model of individual companies. The government encourages growth of the province's international exports and tourism, promotes Alberta as an attractive trading partner and provides market intelligence and business services to internationally-active Alberta companies. The government develops, preserves and maintains Alberta's transportation system, as it is an integral part of the province's export-based economy. To promote and develop human capital, the government supports opportunities for continued improvements in the skills and productivity of the workforce (see Goal 2). In 2006-07, the Alberta government directed $2,207 million toward the promotion of Alberta's international competitiveness.

Goal Three Expense



Percent of Total Expense



This goal includes spending of the following ministries: Employment, Immigration and Industry; Infrastructure and Transportation; International, Intergovernmental and Aboriginal Relations; Sustainable Resource Development; and Tourism, Parks, Recreation and Culture.

To attract more skilled immigrants to Alberta and address the labour shortage, the Alberta government worked on the Alberta Provincial Nominee Program (PNP). This international initiative is an employer driven skilled-worker immigration program operated by the Government of Alberta in conjunction with Citizenship and Immigration Canada to expedite permanent residency. This past year, the PNP nearly doubled the total annual number of provincial nomination certificates it forwarded to the federal government for the expedited processing of permanent resident applications by foreign workers in Alberta.

The Government of Alberta remains open to alternative financing arrangements and awarded the Calgary Northeast Ring Road project as a public-private partnership. To guide future projects, a public-private partnership management framework was put in place and further work was done to define strategies to reduce infrastructure deferred maintenance.

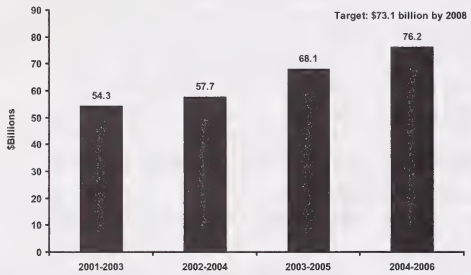
Progress was made on the ring roads around Calgary, and the southwest Edmonton ring road was opened. Improvements made to Highway 63 will result in a safer and more efficient movement of people and goods in the Wood Buffalo Region. Government secured $150 million in federal funding through the Canada Strategic Infrastructure Fund for twinning Highway 63 from Grassland to Marianna Lake and opened a downtown bypass lane on Highway 63 in Fort McMurray.

The government continued to facilitate economic development by completing 87% of construction on the North-South Trade Corridor.

Discussion of Measures

Total Goods Exports – High growth in international exports is the result of strong global economic growth over the 2004-06 period, which resulted in elevated commodity prices (e.g., for gas and especially oil) and strong growth in export volumes. Resumption of beef and live cattle exports also positively contributed to an increase in the value of total goods exports. The target was met for this performance measure, as the three-year average for total goods exports grew by 11.9% to $76.2 billion for the 2004-06 period, an increase from the 2003-05 period where international commodity exports were $68.1 billion.

Total Goods Exports



Labour Productivity – Labour productivity is an indicator of the efficiency and competitiveness of an economy. Economic theory suggests that, in the long-run, high productivity is necessary for improving the overall standard of living and maintains or enhances the competitiveness of an economy. In 2005, Alberta once again maintained the highest rate of real labour productivity among the provinces, met its target, and was well above the national average.

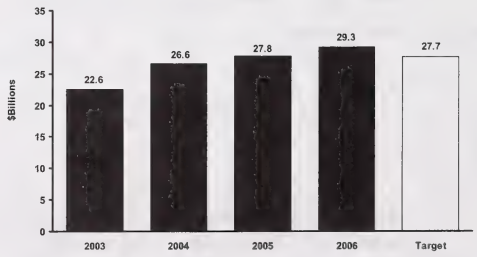
Alberta continues to have the highest rate of real labour productivity in Canada.

A contributing factor to Alberta's high labour productivity results was the concentration of the oil and gas industry in the province and the high gross domestic product in dollar value per hour worked by that industry. Via the *Building and Educating Tomorrow's Workforce* strategy, the government also contributed to the province's ability to compete in an increasingly global and knowledge-based economy. Specific initiatives included the Lean Enterprise Assessment Program, which assisted the manufacturing sector to enhance business processes and productivity.

Value-Added Exports – Expanding the province's international value-added exports is important for sustaining Alberta's economic growth in a globally competitive marketplace. The target of $27.7 billion was exceeded in 2006, as value-added exports were $29.3 billion. This substantial growth not only resulted from advantageous global economic conditions, which resulted in strong volume growth for value-added exports, but also from a number of provincial strategies focused on expanding value-added exports. However, the slowdown in the United States housing market negatively impacted the export performance of Alberta's forest products industry.

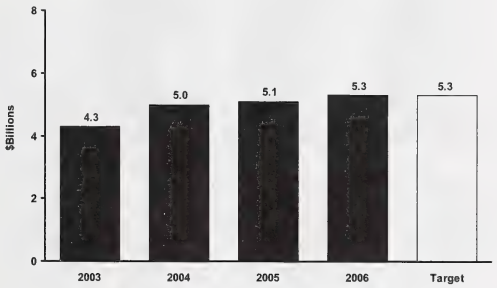
Value-added exports grew substantially to $29.3 billion.

Value-Added Exports



Tourism Industry Revenue – Total tourism revenue is estimated to reach $5.3 billion in 2006, meeting the target. A booming economy and increasing visitation to the province may contribute to the results. Other possible influences on results include the disposable income people have to spend on travel; awareness of the province; impacts of world events, such as war, terrorism and disease; increased competition from other tourism destinations; and the implementation of new security procedures at border crossings.

Tourism Industry Revenue



The expansion of Alberta's tourism industry continued to be supported by the Alberta government through various initiatives, such as:

- the formation of a not-for-profit company that will develop and promote the Badlands tourist destination in southern Alberta;
- production of the film Tracking Alberta's Dinosaurs, which profiles the rich dinosaur resources found throughout the rural areas in the province; and
- the initiation of a new marketing program to promote Aboriginal events and attractions, which was developed with the input and cooperation of the Aboriginal community.

Measures

Societal Measures	Previous Years' Results			Current Results	Desired Results 2006-09
Total Goods Exports					
International commodity exports measured in current dollars, including primary agriculture, primary forestry, fishing and trapping, mining and energy, and manufactured goods (percentage change).	$54.3 billion (+1.0%) (2001-03)	$57.7 r billion (+6.1%) (2002-04)	$68.1 r billion (+18.1%) (2003-05)	$76.2 e billion (+11.9%) (2004-06)	$73.1 billion by 2008
Source: Statistics Canada and Employment, Immigration and Industry					
Labour Productivity					
Real gross domestic product in dollars per hour worked (inter-provincial rank).	$38.49 r (highest) (2002)	$38.64 r (highest) (2003)	$38.92 r (highest) (2004)	$40.34 r (highest) (2005) *	Highest
Source: Statistics Canada and Employment, Immigration and Industry					

Performance Measures	Previous Years' Results			Current Results	2006-07 Targets
Value-Added Exports					
International value-added exports measured in current dollars, including manufactured goods and services (percentage change).	$22.6 r billion (-3.1%) (2003)	$26.6 r billion (17.4%) (2004)	$27.8 r billion (4.5%) (2005)	$29.3 billion (5.5%) (2006)	$27.7 billion (3.0%)
Source: Statistics Canada and Employment, Immigration and Industry					
Tourism Industry Revenue					
Annual value of all tourism revenues in Alberta measured in current dollars, including expenditures made by residents and non-residents.	$4.3 billion (2003)	$5.0 billion (2004)	$5.1 re billion (2005)	$5.3 e billion (2006)	$5.3 ** billion
Source: Statistics Canada, Canadian Travel Survey and International Travel Survey, and Tourism, Parks, Recreation and Culture					

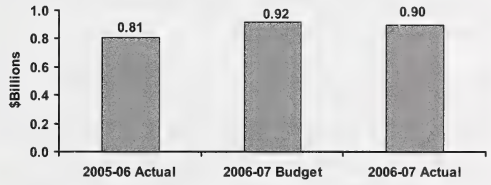
r Revised.
e Estimate.
re Revised estimate.
* Statistics Canada delayed their release of 2006 results until November 2007.
** This target was revised from $5.2 billion, as stated in Budget 2006, to $5.3 billion for consistency with the Tourism, Parks, Recreation and Culture business plan target.

For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup07/index.html

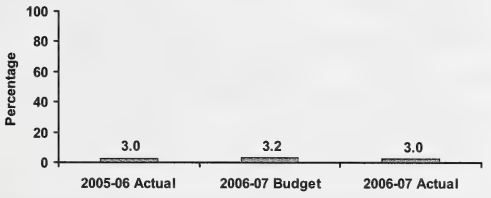
Discussion and Analysis

Families are the foundation to nurture the development of children and youth. Although parents have the primary responsibility of raising their children, communities, organizations, schools, businesses and governments all have supporting roles to play in helping to meet the needs of Alberta's children and youth. In 2006-07, the Alberta government directed $900 million toward the well-being of children.

Goal Four Expense



Percent of Total Expense



This goal includes spending of the following ministry: Children's Services.

With the *Family Support for Children with Disabilities Act* in full operation, the provincial government was able to provide more family-centred services, with a focus on individually assessed needs, to children and youth with disabilities. In response to the requirements of the *Child, Youth and Family Enhancement Act*, the province implemented a new Casework Practice Model in pilot sites in 10 Child and Family Services Authorities and three Delegated First Nation Agencies. This Practice Model features a more comprehensive assessment process which will assist caseworkers to administer the Act more effectively.

The provincial government led the implementation of the cross-ministry Prevention of Family Violence and Bullying Strategy by working towards an Alberta free of family violence and bullying. Some of the achievements include:

- providing support to 95 communities to take local action on family violence and bullying through the Community Incentive Fund program;
- supporting children and youth experiencing bullying by establishing a provincial 24 hour/7 day a week bullying helpline and providing resources for youth, including a youth website developed by youth;
- informing Albertans of the serious issue of family violence and bullying through public awareness and education initiatives, including an award winning media campaign targeted to friends and neighbors to reach out and help someone experiencing family violence, and establishment of a provincial family violence information line; and
- advancing an Alberta Relationship Threat Management Initiative to reduce family violence related injuries and deaths.

The provincial government is working towards an Alberta free of family violence and bullying.

Government developed legislation to better ensure the safety of children and families. A new *Drug-endangered Children Act* was proclaimed in force November 1, 2006, as well as amendments to the *Protection Against Family Violence Act*. The Protection Against Family Violence amendments included stalking as a form of family violence and added protection for seniors and other vulnerable people.

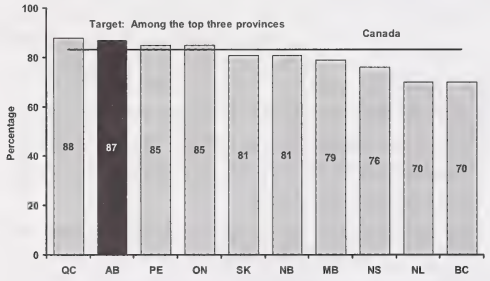
The province completed a review of the Family and Community Support Services Program, which also includes funding from municipalities. The findings validate the important work of about 300 municipalities and Métis Settlements, organized approximately 200 programs, to maintain unique

and flexible preventive social services that are responsive to emerging and diverse needs within their communities.

Discussion of Measures

Well-Being of Children – To promote children reaching their potential, the Alberta government provides programs and services that are designed to support Albertans in meeting their children's needs. Children living in families with low-income may qualify for various government programs and services such as the premium-free health, dental and optical services, income support for families, child support services, childcare subsidies and recreational opportunities.

Well-Being of Children (2002)
(Children who live in families with incomes at or above the Market Basket Measure low-income threshold)



The Market Basket Measure (MBM) determines the cost of a "market basket" of specified goods and services. In 2002, 87% of Alberta's children were living at or above the MBM low-income thresholds. Alberta ranked second in the percentage of children living at or above the low-income thresholds compared to other provinces.

87% of Alberta's children were living at or above the Market Basket Measure low-income thresholds.

Social and Emotional Development – Children's development of appropriate behaviour is linked to their emotional-social wellness. This measure is expressed in two parts: percentage of children exhibiting age-appropriate personal-social behaviours; and percentage of children not displaying attributes associated with emotional problems or anxiety (e.g., children free of significant behavioural impediments for healthy emotional development).

The level of emotional-social development is an indication of a child's ability to reach his/her potential.

Measuring children's social development provides an indication of their level of emotional-social wellness as a determinant of ability to reach their potential as individuals and citizens. Survey results indicate that in 2004-05, 86% of Alberta children, aged zero to three, exhibited aged appropriate personal-social behaviours compared to 2002-03's result of 85.9%. The target for this measure was to maintain or improve Alberta's result relative to the national average which was met. As with previous years, Alberta's result was slightly above the national average of 85.4%.

86% of Alberta children, birth to aged three, exhibited aged appropriate personal-social behaviours.

Measuring children's emotional development also provides an indication of the level of their emotional-social wellness as a determinant of ability to reach their potential as individuals and citizens. In 2004-05, 87.1% of Alberta children, aged two to five, did not display attributes associated with emotional problems or anxiety compared to 2002-03's result of 83.8%. The target for this measure was to maintain or improve Alberta's result relative to the national average, which was met. For the 2004-05 survey year, Alberta's result was slightly above the national average of 85.3%. There were not any significant

differences observed in 2002-03 between Alberta and Canada.

Parenting Skills – Parenting style is one of the primary factors affecting children's outcomes, contributing more to the well-being of children than the socio-economic status of the family or the community in which the family lives.

Positive parent-child interaction affects the outcomes of children. A large majority (93.8%) of Alberta children, from birth to age five, were receiving positive interaction from their parents.

Ten new parent link centres were established bringing the total to 46 centres throughout Alberta. This year, the centres helped over 13,000 parents access child development programs, learn about positive parenting strategies, form informal support networks and locate other community programs. A Virtual Parent Link Centre website was launched to provide resources via the internet to families who are not close to an established Parent Link Centre.

Parent link centres helped over 13,000 parents access programs related to positive parenting.

This measure, therefore, provides an indication of children's behavioural disposition toward achieving their full potential. In 2004-05, 93.8% of Alberta children, from birth to age five, were receiving positive interaction from their parents. This result is comparable to the result of 94.3% achieved in 2002-03. The target for this measure was to maintain or improve Alberta's result relative to the national average which was met. As in previous years, this result continues to be slightly above the national average (92.4%).

Alberta's children and youth will be supported in reaching their potential

Measures

Societal Measure		Previous Years' Results		Current Result	Desired Result 2006-09
Well-being of Children					
Percentage of children living in families with incomes at or above the Market Basket Measure low-income thresholds (inter-provincial rank).	n/a *	84% r (3rd) r (2000)	85% (2nd) (2001)	87% (2nd) (2002)	Among the top three provinces
Source: Human Resources and Social Development Canada					

Performance Measures		Previous Years' Results		Current Results	2006-07 Targets
Social and Emotional Development					
Percentage of Alberta children demonstrating:					
Healthy social development	n/a	Alberta: 91.0% Canada: 88.5% (2000-01)	Alberta: 85.9% Canada: 84.3% (2002-03)	Alberta: 86.0% Canada: 85.4% (2004-05)	Maintain or improve Alberta's result relative to the national average
Healthy emotional development	Alberta: 87.8% Canada: 86.2% (1998-99)	Alberta: 89.1% Canada: 86.5% (2000-01)	Alberta: 83.8% Canada: 83.3% (2002-03)	Alberta: 87.1% Canada: 85.3% (2004-05)	Maintain or improve Alberta's result relative to the national average
Source: Statistics Canada and Social Development Canada – National Longitudinal Survey of Children and Youth (NLSCY)					
Parenting Skills					
Percentage of Alberta children, aged 0-5, whose parents are interacting positively with them.	Alberta: 89.3% Canada: 88.0% (1998-99)	Alberta: 93.5% Canada: 90.0% (2000-01)	Alberta: 94.3% Canada: 93.3% (2002-03)	Alberta: 93.8% Canada: 92.4% (2004-05)	Maintain or improve Alberta's result relative to the national average
Source: Statistics Canada and Social Development Canada – National Longitudinal Survey of Children and Youth (NLSCY)					

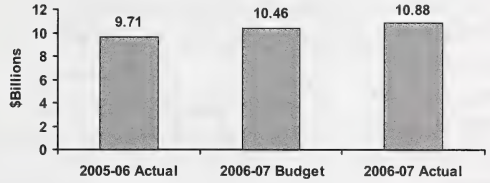
* Data was not available from the federal government.
n/a Data not available.
r Revised.

For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup07/index.html

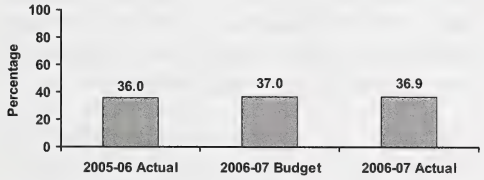
Discussion and Analysis

Albertans are encouraged to realize their full health potential through informed lifestyle choices. The province contributes to the health of Albertans by encouraging and supporting healthy living, ensuring quality health services are available, and by leading the health system. In 2006-07, the Alberta government directed $10,878 million toward the health care system.

Goal Five Expense



Percent of Total Expense



This goal includes spending of the following ministries: Finance; Health and Wellness; Infrastructure and Transportation; and Seniors and Community Supports.

To address the government's top priority of **Improving Alberta's Health System**, Alberta continues to actively contribute to the National Pharmaceuticals Strategy as part of an integrated, comprehensive and collaborative approach to pharmaceuticals in Canada. Working with federal, provincial and territorial governments will enhance and coordinate options for catastrophic pharmaceutical coverage, pricing and purchasing, common formulary framework for expensive drugs for rare diseases and real-world safety and effectiveness. A progress report was issued.

The province is working with federal and territorial governments to develop the National Pharmaceutical Strategy.

New initiatives to promote better health in children and youth were announced. Included in the new initiatives was a social marketing campaign to increase awareness and positively influence healthy eating and active living among children and youth. This was launched with television commercials, cinema spots and a magazine called, "You! Fun Ways to be Healthy!" The Healthy School Communities Award program that recognizes healthy living initiatives in school communities was also launched.

On July 1, 2006, the *Protection of Children Abusing Drugs Act* was enacted to allow a parent or a guardian of a child who is using alcohol and/or other drugs, in a way that severely endangers themselves or others, to apply to the provincial courts to have the child placed in a protective safe house for up to five days. During this court-ordered confinement, the Alberta Alcohol and Drug Abuse Commission (AADAC) will provide detoxification services, assess for the abuse of drugs and alcohol, and work with the child and parent/guardian to develop a voluntary treatment plan after the child leaves the protective safe house. To assist with this initiative, AADAC opened a total of 20 new beds in Red Deer, Picture Butte, Grande Prairie, Edmonton and Calgary.

The Protection of Children Abusing Drugs Act enables a parent or guardian to apply to the Provincial Courts to have the child receive treatment for alcohol or drug abuse.

AADAC, in partnership with the University of Alberta, hosted a two day symposium – Tobacco Reduction Together: Linking Research, Policy and Practice. This two-day symposium offered researchers, policy makers, practitioners and students an opportunity to share ideas, knowledge and successes, and to build partnerships among tobacco reduction stakeholders. The symposium was also the site for AADAC's fourth annual Barb Tarbox Awards of Excellence, which honour Albertans who have demonstrated an outstanding contribution to tobacco reduction.

Reflecting the province's commitment to Albertans and the recommendation of the MLA Task Force on Continuing Care, the Government of Alberta released and implemented new standards for continuing care health and accommodation services. The new standards laid the groundwork for a higher quality of life and health care for all Albertans receiving continuing care services in home, community and facility-based settings. To ensure the highest quality of care possible for Alberta's seniors, these standards were again updated and re-issued.

An additional provincial investment in the electronic health record system will support province-wide technology enhancements and connect more health professionals to the patient information they need to make the best care decisions, including increased use of digital diagnostic imaging (X-rays, CT and MRI scan) technologies, the number of laboratory and other diagnostic tests, client identification information, and key drugs a patient has been prescribed.

The electronic health record system will connect more health professionals to patient information.

Government initiated a new overarching mental health framework, entitled Positive Futures – Optimizing Mental Health for Alberta's Children and Youth: A Framework for Action (2006-2016). The framework outlines strategic directions and activities to achieve optimal mental health for children and youth zero to 24 years of age. To support the framework, the province will be investing $38.9 million over three years, commencing in 2006-07, to support five projects to improve mental health for Alberta's children and youth, as well as to support the mental well-being of their families and communities.

A mental health framework outlines strategic directions and activities to achieve optimal mental health for children and youth.

Discussions of Measures

Life Expectancy at Birth – Life expectancy at birth is a universally recognized indicator of the general health and well-being of a population. In 2006, the life expectancy at birth for males and females were 77.9 years and 82.9 years, almost meeting the target of 78 years and 83 years respectively.

Self-reported Health Status – Self-reported health status is a good indicator of the health and well-being of Albertans. It is accepted across Canada as a means of reporting on population health. It measures the degree to which Albertans feel healthy compared to others their own age. Survey results indicate that in 2007, 87% of Albertans aged 18-64 years rated their health as "good", "very good" or "excellent". This is within 3% of the target of 90%.

87% of Albertans aged 18-64 years rated their health as "good", "very good" or "excellent".

Healthy U is a provincial initiative to promote the benefits of healthy eating and active living; and important lifestyle factors that contribute to reducing the risk of chronic diseases. The initiative includes the Healthy U Crew, Community Choosewell Challenge, Healthy U @ Work, the Premier's Award for Healthy Workplaces, My Amazing Little Cookbook, illustrated recipe cards and healthy eating guidebook and a newly re-designed website (www.healthyalberta.com).

Participation in Healthy Behaviour – Living a healthy lifestyle greatly contributes to an improved quality and length of life. Results from the Canadian Community Health Survey indicate that in 2005, more than half of the Alberta respondents were exercising regularly (55%), below the target of 60%; almost half were at acceptable weight levels (46%), below the target of 50%; and the percentage of Albertans that consumed at least 5-10 daily servings of vegetables (39%), is just below the target of 40%.

The Alberta government introduced a 10-year Alberta Immunization Strategy to minimize the risk of vaccine-preventable diseases by increasing immunization rates. Seven innovative and evidence-based strategic directions outlined in the strategy include:

A 10-year Alberta Immunization Strategy was introduced to minimize the risk of vaccine-preventable diseases.

1. enhance accessibility;
2. improve enabling technology;
3. strengthen parental education and counseling;
4. strengthen partnerships;
5. strengthen provider training and education;
6. strengthen public education and awareness; and
7. strengthen research and evaluation.

An Innovation in Immunization Fund of $8 million was announced as part of the strategy. Regions were asked to develop implementation plans for evidence-based, innovative strategies to be put into action over three years, to enhance accessibility and improve delivery. All nine regions submitted plans that were approved by the Alberta government, and funds dispersed.

The Alberta government launched an awareness campaign to help stop the spread of syphilis and raise public awareness about the preventable disease. The province is working closely with regional health authorities, nurses and physicians to remind all Albertans to practise safer sex with the use of a condom and to get tested if they suspect they may have been exposed to syphilis.

Ease of Access to Physician and Hospital Services – Access to publicly funded health services is a fundamental principle of the health care system and a guarantee for health prevention and maintenance services. In a 2007 health survey, 72% of Albertans reported "very easy" or "easy" access to physician services, 14% below the target of 86%. The 2007 survey used a different context and placement of questions than the surveys done in previous years, which may account for the reduction in the ratings. 70% of Albertans reported "very easy" or "easy" access to hospital services, 3% below the target of 73%.

Alberta's first Primary Care Network was launched in May, 2005. Now there are 19 Primary Care Networks in operation across Alberta involving over 900 physicians and providing services to more than one million Albertans. Ten other Primary Care Networks are in various stages of development. In a Primary Care Network, family physicians work with health regions, specialists and other providers to offer comprehensive access to primary care services.

19 Primary Care Networks are in operation across Alberta. Physicians work with other primary care providers to provide comprehensive access to primary care services.

Alberta invested in 20 additional residency seats for foreign-trained doctors now living in the province. Additional residency seats for foreign-trained doctors increased the number of practicing physicians in Alberta. The additional seats mean that 48 foreign trained doctors will upgrade their training in the province annually. Because they have already had some medical training, foreign-trained doctors can often be trained more quickly and at less cost. This program is one of a number of strategies the province has in place to increase the number of physicians practicing in Alberta. This includes increasing the number of residency seats for medical students and a clinical program helping foreign-trained graduates to be physician assistants working under a physician.

Additional residency seats for foreign-trained doctors have increased the number of practicing physicians in Alberta.

The Alberta Provincial Stroke Strategy was announced. It is a partnership between the Alberta government, the nine regional health authorities and the Heart and Stroke Foundation of Alberta to reduce the rate of strokes and improve acute care treatment, rehabilitation care and promote support in the community for stroke survivors and their caregivers. The program is an inter-regional model for stroke care that focuses on the development of a primary stroke centre in each health region connected to and supported by a tertiary stroke centre.

Public Rating of Health System Overall – Albertans' perception of the health system is reflected in survey ratings. Survey results include perception about the quality of care, service accessibility, the manner in which the service was provided, and the patient provider relationship. In a 2007 health survey, 55% of Albertans rated our health system as "excellent" or "good". This is below the target of 68%. The 2007 survey used a different context and placement of questions than the surveys done in previous years, which may account for the reduction in the ratings.

55% of Albertans rated our health system as "excellent" or "good".

In May 2006, the *Cancer Prevention Legacy Act* was proclaimed to help build a cancer-free future for Albertans, and demonstrated Alberta's commitment to becoming a leader in the fight against cancer. The Act established an Alberta Cancer Prevention Legacy Fund of $500 million to support initiatives in cancer prevention, screening, education and a virtual research institute to coordinate all cancer research throughout the province. The Legacy Fund provided a total of $25 million to the Alberta Cancer Board in 2006-07. As well as expanding existing cancer screening programs, the Legacy Fund will assist with identifying new strategies in prevention and screening including implementation of a province-wide colorectal cancer screening program. These screening programs help detect the signs of cancer in its earliest stages.

The Cancer Prevention Legacy Act was proclaimed to support initiatives to identify and expand existing cancer screening programs in addition to the implementation of a province-wide colorectal cancer screening program.

Measures

Performance Measures	Previous Years' Results			Current Results	2006-07 Targets
Life Expectancy at Birth					
Years of life for females.	82.3	82.6	82.7	82.9	83.0 years
Years of life for males.	77.5 (2003)	77.8 (2004)	77.5* (2005)	77.9 (2006)	78.0 years
Source: Health and Wellness, Vital Statistics Registry, Alberta Health Care Insurance Plan Stakeholder Registry					
Self-reported Health Status**					
Rating as "excellent," "very good" or "good" (18-64 years).	88% (2004)	89% (2005)	88% (2006)	87% (2007)	90%
Source: HQCA Satisfaction with Healthcare Survey - Health Quality Council of Alberta					
Participation in Healthy Behaviour (biennial survey)					
Exercise regularly – "active" or "moderately active."	n/a	52%	56%	55%	60%
Healthy Body Mass Index.	n/a	49%	47%	46%	50%
Healthy eating – eat 5-10 servings of fruit and vegetables each day.	n/a	33% (2001)	39% (2003)	39% (2005)	40%
Source: Statistics Canada – Canadian Community Health Survey					
Ease of Access to Services**					
Rating as "easy" or "very easy."					
Physician Services	85%	86%	78%	72%	86%
Hospital Services	73% (2004)	72% (2005)	67% (2006)	70% (2007)	73%
Source: HQCA Satisfaction with Healthcare Survey - Health Quality Council of Alberta					
Public Rating of Health System Overall**					
Rating as "excellent" or "good."	65% (2004)	67% (2005)	65% (2006)	55% (2007)	68%
Source: HQCA Satisfaction with Healthcare Survey - Health Quality Council of Alberta					

* Restated due to adjustments in the Vital Statistics Registry data.

** Results for 2007 were from the 2007 HQCA Satisfaction with Healthcare Survey conducted by the Population Research Laboratory at the University of Alberta; results for 2006 were from the 2006 HQCA Satisfaction with Healthcare Survey conducted by IPSOS; results for 2004 and 2005 were from the Public Survey about Health and the Health System in Alberta conducted by the Population Research Laboratory at the University of Alberta.

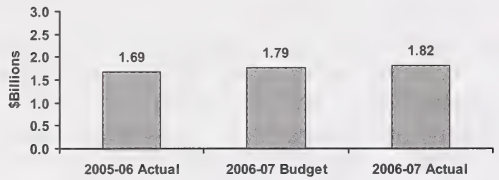
n/a Data not comparable.

For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup06/index.html

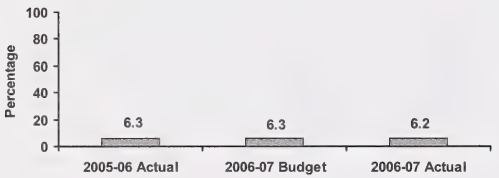
Discussion and Analysis

Families, communities, organizations, and governments all have roles in ensuring that low-income Albertans, including seniors, unable to provide for their basic needs will receive help. Disability-related supports and services contribute to the independence, inclusion, and well-being of Albertans with disabilities. In 2006-07, the Alberta government directed $1,824 million to assist Albertans to become self-reliant and assist those unable to provide for their basic needs.

Goal Six Expense



Percent of Total Expense



This goal includes spending of the following ministries: Employment, Immigration and Industry; Justice; Municipal Affairs and Housing; Seniors and Community Supports; and Solicitor General and Public Security.

In 2006-07, the government undertook a comprehensive review of the *Dependent Adults Act* and the *Personal Directives Act*. The final recommendations and review report are now publicly available. The proposed changes will give the government authority to investigate and take appropriate action on complaints or concerns about private guardians and agents where there is harm suspected to an incapable person. In addition, an evaluation of the Persons with Developmental Disabilities Abuse Prevention and Response Protocol was undertaken to enhance the safety of persons with developmental disabilities. The government also worked to clarify roles and responsibilities for licensing of supportive living facilities. Standards for accommodation in supportive living and long-term care facilities were developed and will come into force April 1, 2007. Processes for monitoring and enforcing compliance with these standards have also been developed.

Alberta continues to develop and enhance programs and services for victims of crime. Thirty-seven of the 38 recommendations contained in the MLA Report of the Alberta Victims of Crime Consultation were accepted by the government. Considerable progress has been achieved in satisfying the recommendations with 20 completed and work progressing on another 13. Highlights include Victims of Crime Protocol training; implementation of Phase II of the Victims of Crime Awareness Campaign; drafting agreements with the RCMP and local victim programs to clarify roles and responsibilities and enhance services to victims; and supporting two new staff positions to enhance the delivery of services to Aboriginal and other unique populations and to victims of specific crime.

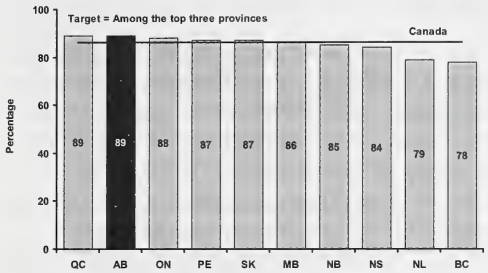
37 of the 38 recommendations contained in the MLA Report of the Alberta Victims of Crime Consultation were accepted by the government.

Discussion of Measures

Economic Status of Albertans – The Market Basket Measure (MBM) is a measure of low-income, which considers the cost of a specific basket of goods and services in different communities across Canada. In 2002, Alberta had the second highest percentage of residents living at or above the MBM low-income threshold compared to other provinces (Quebec had the highest percentage). Between 2000 and 2002 the level of residents living at or above the MBM low-income threshold has remained fairly stable, increasing two percentage points to 89% in 2002.

Alberta had the second highest percentage of residents living at or above the Market Basket Measure low-income threshold.

Economic Status of Albertans (2002)
(Percentage of Albertans living at or above the Market Basket Measure (MBM) low-income thresholds)



Current data also supports Albertans' healthy economic status, as Alberta's strong economy and lowest unemployment rate in Canada (3.4% in 2006) has allowed Albertans to have increased opportunities to participate in the economy. Alberta's tight labour market placed pressure on wages and salaries, which increased by 13.2% in 2006, far outpacing Alberta's 3.9% inflation rate.

Support for Low-income Albertans – Albertans who are eligible for Income Support also receive Health Benefits for themselves and their dependents unless they receive coverage through other sources (e.g., Government of Canada, spouse's employer). The purpose of the Health Benefits program is to provide health care insurance and coverage to clients in need. The benefits include premium-free Alberta Health Care Insurance, dental care, eye care and glasses, prescription drugs, essential diabetic supplies and emergency ambulance services.

The Health Benefits program provides health care insurance and coverage to clients in need.

In 2006-07, 86% of all Income Support recipients also received the Health Benefits coverage in addition to core benefits, which met the target of 89%. This result demonstrated support provided to a vulnerable population in the Alberta society, e.g., Expected to Work and Not-Expected to Work clients.

Support for Albertans with Severe Disabilities – Albertans with severe disabilities are supported through the Assured Income for the Severely Handicapped (AISH) program. Timely processing of AISH applications is important to ensure eligible candidates receive the benefits they require to meet their needs. To measure eligibility decision time, government monitors the number of working days between completed application and decision for AISH applicants. The government is unable to report results on this performance measure in 2006-07 as the data available at this time is incomplete. To assist in gathering information for this performance measure, government developed and implemented an electronic tracking system in April, 2006. Additional system controls have been implemented to improve data integrity for 2007-08.

The government worked to streamline programs by identifying areas where common case management software could improve services for persons with disabilities. The government coordinated negotiations for Pharmaceutical Agreements across ministries and Alberta Blue Cross to improve client care management and address program sustainability. In addition, government helped launch an innovative federal/provincial pilot program aimed at coordinating Assured Income for the Severely Handicapped benefits with Canada Pension Plan Disability benefits. Information is now shared between the two programs to ease the application process for mutual clients.

Support for Albertans with Developmental Disabilities (PDD) – The PDD program provides adults with developmental disabilities with living, employment and community access supports, which assist them in participating in the social, economic and cultural life of the province. In 2006-07, survey results indicate that 83.4% of families/guardians (public and private) reported overall satisfaction with PDD-funded services received by the person to whom they provide

guardianship. Satisfaction dropped slightly from 2004-05 and remained below the 2006-07 target of 89%.

Support for Low-income Families with Children – Through the Alberta Child Health Benefit (ACHB) program, the Alberta government provides a premium-free health benefit plan for children under 18 living in families with low incomes. The ACHB provides coverage for prescription drugs, eyeglasses, dental care, emergency ambulance services and essential diabetic supplies. This program is designed to help reduce the depth of child poverty, improve standards of living for parents with children under 18, and promote parents' attachment to the workforce. This measure provides an indication of how parents feel they are supported in providing health services for their children.

Of all ACHB parents surveyed in 2006-07, 91% agreed that they were able to obtain health services they would not otherwise have been able to get for their children. This result exceeded the target of 85% by six percentage points, which reflected parents' high satisfaction level with the effectiveness of the ACHB program.

91% of the Alberta Child Health Benefit parents agreed that they were able to obtain health services they would not otherwise have been able to get for their children.

Support for Low-income Albertans who need Temporary Help – Through the Income Support (IS) program, the Alberta government provides financial assistance to individuals who are unable to support themselves financially. Income Support program participants include Expected to Work (ETW) and Not-Expected to Work (NETW) clients. The IS program supports individuals and families whose income and assets are insufficient to meet their basic needs and to increase the quality of life of Albertans with low incomes. IS also encourages commitment to employment of Albertans with low incomes to the labour market.

The government provides financial assistance to individuals who are unable to support themselves financially through the Income Support program.

In 2006-07, IS participants who left the program between April and August 2006 were surveyed three months after leaving the program. Out of these clients, 59% were employed at some time since they left the program. The booming economy created increased employment opportunities for people who would have otherwise become IS recipients. This likely resulted in an IS client pool that had severe or multiple barriers to obtaining employment. Those who left the program without obtaining employment likely entered new partnerships or received support from other sources (e.g., Canada Pension Plan, Employment Insurance and disability-related income). The 70% target figure was a stretch target that was difficult to reach.

Albertans will be self-reliant and independent and those unable to provide for their basic needs will receive help

Measures

Societal Measures	Previous Years' Results			Current Results	Desired Results 2006-09
Economic Status of Albertans					
Percentage of Albertans living at or above the Market Basket Measure low-income thresholds (inter-provincial rank).	n/a *	87% (2nd) (2000)	88% (3rd) (2001)	89% (2nd) (2002)	Among the top three provinces
Source: Human Resources and Social Development Canada					
Support for Low-income Albertans					
Percentage of Alberta's Income Support clients receiving health benefits coverage in addition to core benefits.	n/a	n/a	n/a	86% (2006-07)	Within ± 5 percentage points of 89%
Source: Employment, Immigration and Industry					

Performance Measures	Previous Years' Results			Current Results	2006-07 Targets
Support for Albertans with Developmental Disabilities					
Satisfaction, by families/guardians of persons with developmental disabilities, with Persons with Developmental Disabilities funded services.	90.4% (2000-01)	88.7% (2002-03)	85.8% (2004-05)	83.4% (2006-07)	89%
Source: Seniors and Community Supports – Persons with Developmental Disabilities Family and Guardian Satisfaction Survey					
Support for Low-income Families with Children					
Percentage of Alberta Child Health Benefit parents who agree they are able to obtain health services they would not otherwise have been able to get for their children.	n/a	88% (2004-05)	n/a	91% (2006-07)	85%
Source: Employment, Immigration and Industry – Alberta Child Health Benefit Program Client Survey					
Support for Low-income Albertans who need Temporary Help					
Percentage of participants employed after leaving income support.	n/a	n/a	68% (2005-06)	59% (2006-07)	70%
Source: Employment, Immigration and Industry – Work Outcomes Reporting Project Survey					

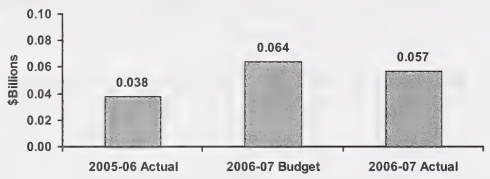
* Data was not available from the federal government.
n/a Data not available.
Note: The Government of Alberta is unable to report results for "**Support for Albertans with Severe Disabilities**" in 2006-07 as the data available at this time is incomplete. To assist in gathering information for this performance measure, government developed and implemented an electronic tracking system in April, 2006. Additional system controls have been implemented to improve data integrity for 2007-08. In addition, the 2004-05 result for "Support for Low-income Albertans who need Temporary Help" is not comparable to future years' results due to a change in methodology.

For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup07/index.html

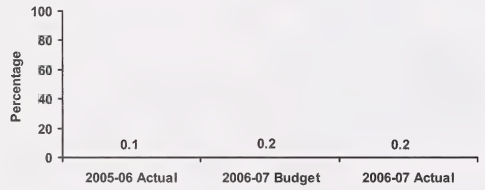
Discussion and Analysis

Section 35 of the Constitution of Canada recognizes the Aboriginal people of Canada and affirms existing Aboriginal and Treaty rights. The province has developed ongoing relations with Aboriginal governments, organizations and communities in Alberta. Through the *Strengthening Relationships: The Aboriginal Policy Framework*, the province is committed to increasing the participation of Aboriginal people in the social and economic life of Alberta. In 2006-07, the Government of Alberta directed $57 million toward Aboriginal issues not addressed under other government goals.

Goal Seven Expense



Percent of Total Expense



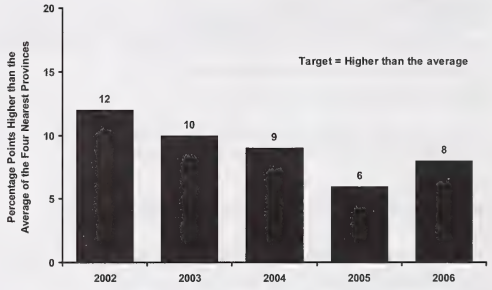
This goal includes spending of the following ministries: Employment, Immigration and Industry; International, Intergovernmental and Aboriginal Relations; and Tourism, Parks, Recreation and Culture.

The province continues to work at the top priority **Building Aboriginal Self-Sufficiency** through initiatives directed at strengthening First Nations governance. The government of Alberta is participating in discussions with the Blood Tribe and the federal government regarding the establishment of self-governance arrangements for child, youth, and family enhancements services. Alberta also took part in preliminary discussions with the federal government and the Treaty 8 First Nations on Alberta's participation in self-governance negotiations regarding education. In addition, final approval is being sought for an agreement to use Alberta's regulatory regime to allow the mining of surface mineable oil sands on the Fort Mckay First Nation.

Discussion of Measures

Aboriginal Affairs – In 2006, survey results indicate that the Alberta government had an 8% higher approval rating on Aboriginal relations, compared to the average rating of the four nearest provinces. This result was slightly above the previous year (from 6% to 8%) and met the performance target for 2006. The rating for Alberta has remained fairly stable over the last few years: 51% in 2004; 51% in 2005; and 49% in 2006.

Aboriginal Affairs
(Public approval rating on Aboriginal issues)



The First Nations Economic Partnerships Initiative was implemented in 2006-07 to increase First Nation participation in the economy by focusing on industry partnerships and developing First Nation economic capacity. A total of 27 strategic partnerships between industry and First Nations were supported. In addition, 14 tribal councils and unaffiliated First Nations were able to hire regional economic development coordinators and 17 economic capacity building projects were initiated.

27 strategic partnerships between industry and First Nations were supported.

The well-being and self-reliance of Aboriginal communities and people will be improved

The Alberta government implemented the *First Nations Consultation Guidelines on Land Management and Resource Development* to ensure that Aboriginal and treaty rights and traditional use are respected in the management of Crown lands and resources. The province is undertaking an annual assessment of the guidelines to ensure quality and responsiveness to emerging consultation issues.

In preparation for consultation with the province and industry, First Nations were provided with substantial funding in the 2006-07 fiscal year to build capacity and conduct traditional use study initiatives. More than $14 million in grants were provided for 70 projects through the First Nations Development Fund to support economic, social and community development projects, education, health and infrastructure in First Nations communities.

Educational Attainment of Aboriginal Albertans – The high school completion rate of Aboriginals living off-reserve (aged 25-34) has remained relatively constant over the last four years. In 2006, survey results indicated a 77% completion rate. The target for 2006-07 of 76% was met. Several initiatives were implemented in 2006 to improve high school completion rates including the First Nations, Métis and Inuit Policy Framework to improve Aboriginal learner outcomes and the Accountability Pillar of the Renewed Funding Framework, which requires school jurisdictions to address low and declining results.

77% of off-reserve Aboriginal Albertans aged 25-34 reported completing high school.

In 2006-07, the Alberta government expanded the age span for post-secondary completion from aged 25-34 to aged 25-64 to better represent the outcomes of Alberta's post-secondary system. In 2006, survey results indicated a 43% completion rate.

43% of off-reserve Aboriginal Albertans aged 25-64 reported completing post-secondary education.

Measures

Performance Measures	Previous Years' Results			Current Results	2006-07 Targets
Aboriginal Affairs					
Public approval rating on Aboriginal issues compared to the average of the four nearest provinces.	+10 (2003)	+9 (2004)	+6 (2005)	+8 (2006)	Higher than the average of the four nearest provinces
Source: Focus Canada Reports, and International, Intergovernmental and Aboriginal Relations					
Educational Attainment of Aboriginal Albertans					
High school completion (aged 25-34).	76%	73%	76%	77%	76%
Post-secondary completion (aged 25-64).	45% (2003)	43% (2004)	44% (2005)	43% (2006)	n/a
Source: Statistics Canada – Labour Force Survey					

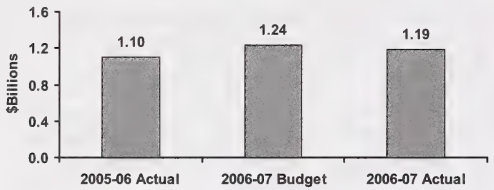
Note: A target was not added to "Post-secondary Completion (Aged 25-64)" as sufficient baseline data was not available. A target has been added to the 2007-10 Government of Alberta Business Plan.

For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup07/index.html

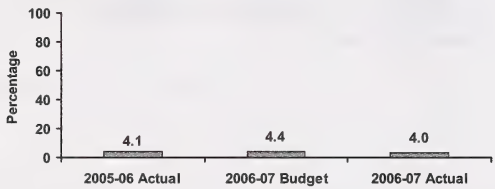
Discussion and Analysis

Financial stability is essential for the government to be able to provide programs and services that are important to Albertans now and in the future. The government is dedicated to providing effective public policy and quality, affordable services for Albertans. It is also committed to being open and accountable. In 2006-07, the Alberta government directed $1,188 million toward the general administration of government.

Goal Eight Expense



Percent of Total Expense



This goal includes spending of the following ministries: Employment, Immigration and Industry; Energy; Executive Council; Finance; Infrastructure and Transportation; Municipal Affairs and Housing; Service Alberta; and Treasury Board.

To address the government's top priority of **Reviewing Tax Policy**, Alberta's tax system was reviewed to ensure that it is competitive, economically efficient, fair and provides stable revenues for government programs. Albertans continued to pay the lowest taxes in Canada in 2006-07. The government built on this advantage by reducing the general corporate income tax rate to 10% from 11.5% and increasing income thresholds for health care premium subsidies on April 1, 2006. As a result of this change, about 30,000 couples and families and 50,000 individuals either paid lower health care premiums or no premiums at all.

Albertans have the lowest tax rate in Canada.

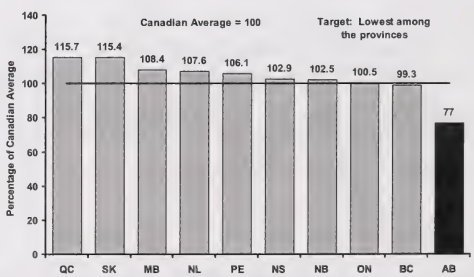
Discussion of Measures

Alberta's Credit Rating – In the 2006-07 fiscal year, Alberta once again garnered a Triple A rating, the highest possible rating from all three major credit rating agencies. This means that Alberta achieved its target for this measure and makes Alberta the most highly rated province in Canada. Alberta's credit rating is a broad measure of the province's financial stability and reflects the rating agencies' positive assessment of the province's fiscal, economic and political environment. In their reports, the rating agencies cite Alberta's extremely low debt burden and low reliance on federal transfers, combined with its record of prudent fiscal management and exceptionally strong fiscal performance as reasons for the high rating. The three major credit rating agencies are Standard and Poor's Rating Service, Moody's Investor Service Limited and Dominion Bond Rating Service.

Alberta maintained the highest credit rating, at AAA for domestic debt, for seven years running.

Tax Load – The Government of Alberta believes that the tax system must be fair, globally competitive and promote self-reliance. Alberta has a low single-rate income tax. It is the only province without a capital tax or retail sales tax, and has the lowest tax on gasoline among the provinces. In 2006-07, Alberta met the performance measure target with the lowest tax load (total provincial and municipal) among the provinces at 77% of the provincial average.

Tax Load (2006-07)



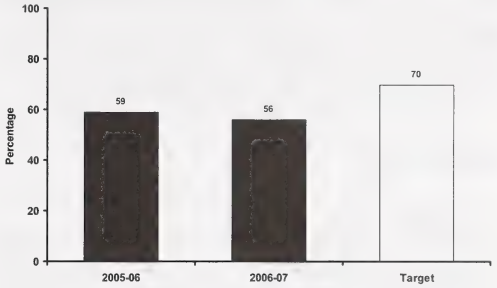
Alberta will have a financially stable, open and accountable government

The Government of Alberta appointed an independent Royalty Review Panel to conduct a review of Alberta's royalty and tax regimes and to host public meetings to gather input from Albertans and key stakeholders. The panel has been tasked with determining if Albertans are receiving a fair share from energy development through royalties, taxes and fees.

The Alberta government eliminated the Alberta Royalty Tax Credit Program (ARTC) after review and consultation with industry and stakeholders. This change better reflects today's business climate, market and prices. The ARTC program was established in 1974 in response to federal tax changes. The elimination of the ARTC, based on 2005-06 figures, would increase revenues from energy resources to the province by $111 million.

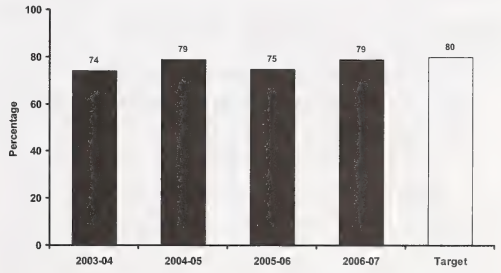
Government Financial Accountability – In 2007, Albertans were surveyed and asked the following question: Do you feel that adequate financial information about the Government of Alberta is available to the public? The survey results show that 56% of Albertans were satisfied with the information they received from the province on the Government of Alberta's financial information, through the three-year consolidated fiscal and business plans, quarterly fiscal updates and annual performance reports, including audited financial statements. The provincial government reports quarterly to Albertans on progress made in achieving the current year's fiscal plan. The *Government Accountability Act* sets out the reporting requirements that provide government accountability. 2006-07 results were down from 59% in 2005-06 and below the target of 70%.

Government Financial Accountability
(Albertans' satisfaction with information on government financial performance.)



Albertans' Satisfaction with Access to Services and Information – Satisfaction of survey respondents with their ability to access Government of Alberta information and services grew from 75% in 2005-06 to 79% in 2006-07. In continuing to work towards the 80% target, the Government of Alberta continued its strong commitment to adopt innovative approaches to improve service delivery through a variety of mechanisms, including the integrated, multi-channel citizen-centric Service Alberta initiative.

Albertans' Satisfaction with Access to Services and Information



Accountability to Albertans is also about the efficient and effective use of resources in the daily internal business of government. The Government of Alberta worked to further integrate its information and communications technologies. Integration has improved access to government services and made it easier to share

applications and information across government and with other stakeholders.

The Government of Alberta supported Alberta Public Service (APS) employees in delivering high quality programs and services to Albertans through initiatives under the Alberta Public Service Human Resources Plan. These initiatives included the implementation of the APS Vision and Values (respect, integrity, accountability and excellence) and the continued promotion of the Government of Alberta as an employer of choice.

Measures

Performance Measures	Previous Years' Results			Current Results	2006-07 Targets
Alberta's Credit Rating					
Blended credit rating for domestic debt.	AAA (2003-04)	AAA (2004-05)	AAA (2005-06)	AAA (2006-07)	AAA
Source: Finance; and Standard and Poor's Rating Services, Moody's Investors Service Limited, and Dominion Bond Rating Service					
Tax Load					
Total provincial and municipal tax load as a percentage of the Canadian average (inter-provincial rank).	75.2% r (lowest) (2003-04)	75.3% r (lowest) (2004-05)	79.3% r (lowest) (2005-06)	77.0% (lowest) (2006-07)	Lowest among the provinces
Source: Federal Department of Finance, and Alberta Finance					
Government Financial Accountability					
Percentage of Albertans who feel that the Government of Alberta provides adequate financial information to the public (based on those surveyed who expressed an opinion).	n/a	n/a	59% (2005-06)	56% (2006-07)	70%
Source: Focus Alberta, Research on Public Information Survey; Finance					
Albertans' Satisfaction with Access to Services and Information					
Percentage of Albertans surveyed who are satisfied with access to Government of Alberta services and information.	74% (2003-04)	79% (2004-05)	75% (2005-06)	79% (2006-07)	80%
Source: Survey of Albertans; Service Alberta					

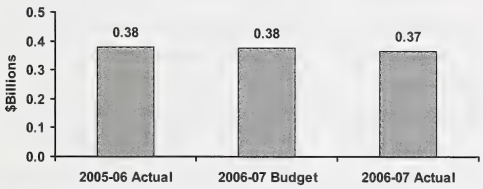
r Revised.
n/a Data not comparable.

For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup06/index.html

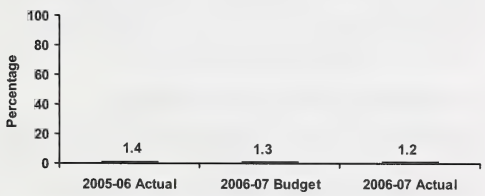
Discussion and Analysis

The government works to promote the province's interests as an equal partner in a strengthened, united Canada, through strengthened international relations, and from greater trade and investment liberalization, internationally and domestically. Municipalities provide a broad range of services to Albertans where they live, work and play. At the core of these services is a partnership between the province and Alberta's municipalities that provides for open, effective, accountable and well-managed local governments. In 2006-07, the provincial government directed $367 million toward the promotion of strong and effective partnerships with local, provincial, national and international governments.

Goal Nine Expense



Percent of Total Expense

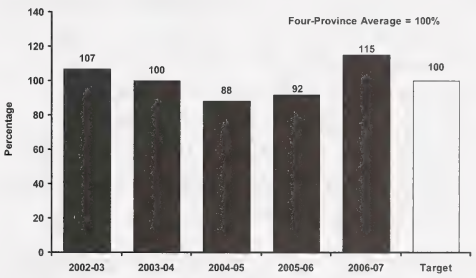


This goal includes spending of the following ministries: Finance; Infrastructure and Transportation; International, Intergovernmental and Aboriginal Relations; and Municipal Affairs and Housing.

Discussion of Measures

Federal/Provincial Relations – The government worked to advance the province's interests in the Canadian federation. Public approval ratings reflect Albertans' perceptions of how well the provincial government is advancing the interests of Albertans within Confederation. In 2006-07, Alberta's average public approval rating in federal/provincial relations, based on a national opinion poll surveying the view of Canadians, was significantly above the average approval rating of the four nearest provinces (British Columbia, Saskatchewan, Manitoba and Ontario). The result exceeded the target for 2006-07, with Alberta at 115% compared to the average (100%) of these four provinces, representing an increase of 23 percentage points over the 2005-06 result. Major contributing factors for this result include Alberta's successful year as Chair of the Premiers' Council of the Federation, and action on Alberta intergovernmental priorities (e.g., fiscal imbalance, eliminating Canadian Wheat Board monopoly).

Federal/Provincial Relations
(Albertans' approval rating as a percentage of the four nearest provinces)



Throughout 2006-07, Alberta remained in a strong position to influence the intergovernmental agenda in Canada. The Government of Alberta served as Chair of the Council of the Federation until the summer of 2006; thereby, chairing two key Premiers' meetings on fiscal federalism: the Council met with its own Advisory Panel on Fiscal Imbalance in Montreal and Premiers met with the Federal Expert Panel on Equalization in Edmonton.

Alberta's intergovernmental priorities were addressed successfully at several meetings, including an Alberta-British Columbia Joint Cabinet meeting, the Western Premiers' Conference, and the summer Council of the Federation meeting.

The Government of Alberta worked to strengthen international relationships with key decision makers through Alberta's Washington, D.C.

office, and through Premier's missions, incoming delegations and major events. "Alberta Week in Washington" outreach events were staged as part of Alberta's participation in the Smithsonian Folklife Festival. Events included energy, agricultural, and Canada/United States (U.S.) policy forums, and eight other high profile events. The attendance of the Premier, 10 ministers, and four MLAs at one or more of these events significantly raised the province's profile and highlighted its key interests in the U.S. capital.

A number of high level incoming foreign delegations, many drawn to visit the oil sands, provided an opportunity to showcase Alberta's emerging role as a global energy leader. Strategically-focused international missions by Alberta ministers, and by the Premier to the U.S., France and Ukraine, advanced the province's objectives with a wide variety of international audiences. Alberta also hosted the Pacific NorthWest Economic Region annual meeting which attracted 650 political and business leaders from the U.S. and Canada.

The Canada-U.S. Softwood Lumber Agreement came into force in the fall of 2006, after lengthy and difficult negotiations. Alberta provided extensive input, including presentations made at the ministerial level. The Agreement provides a framework to resolve disagreements between Canada and the U.S. regarding softwood lumber trade, and it preserves the ability of provinces to manage their forest resources.

The Canada-U.S. Softwood Lumber Agreement returned to Canadian exporters, over 80% of the $US 5.3 billion in duties collected by the U.S. since 2002.

The Alberta-B.C. Trade, Investment and Labour Mobility Agreement (TILMA), Canada's most comprehensive internal trade agreement, was signed in April 2006. TILMA will create a single marketplace with enhanced labour mobility, streamlined business and transportation registration requirements, and an open market for investment, energy, financial services and government procurement. Consultations related to implementation of TILMA have taken place with regulatory bodies, industry and municipal associations. In September 2006, Alberta and B.C. ministers presented the TILMA to federal and provincial counterparts, to encourage other Canadian jurisdictions to pursue liberalization initiatives.

A Memorandum of Understanding was finalized with British Columbia to construct a joint use vehicle inspection station for commercial carriers between the two provinces. Collaboration with the federal government resulted in a Canada-Alberta agreement on the Transportation of Dangerous Goods.

Albertans' Satisfaction with their Local Governments – Results from a survey of randomly selected adult Albertans in rural and urban areas indicate a fairly consistent level of satisfaction among Albertans with their local governments. In the 2006-07 survey, 79% of Albertans were satisfied with their local governments, almost meeting the target of 80%. This result is similar to survey results from previous years.

79% of Albertans were satisfied with their local governments.

The Minister's Council on Municipal Sustainability, which has representation from the Alberta Association of Municipal Districts and Counties, the Alberta Urban Municipalities Association and the cities of Edmonton and Calgary, examined options for better defining the roles and responsibilities of the provincial government and Alberta's municipalities, and for enhancing the long-term sustainability of municipal governments in the province. The Council tabled a report with the provincial government, which contains recommendations in three major areas: inter-municipal cooperation, municipal and provincial roles and responsibilities, and municipal revenue sources.

Alberta will have strong and effective partnerships with municipal, provincial, territorial, federal and foreign governments

Measures

Societal Measure	Previous Years' Results			Current Result	Desired Result 2006-09
Federal/Provincial Relations					
Public approval rating of the Alberta government in federal/provincial relations as a percentage of the average rating of the four nearest provinces.	100% (2003-04)	88% (2004-05)	92% (2005-06)	115% (2006-07)	100%
Source: Focus Canada Report; International, Intergovernmental and Aboriginal Relations					

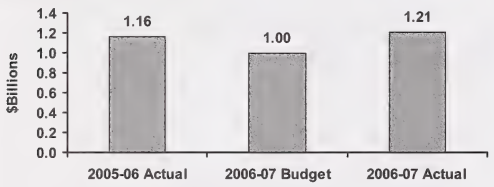
Performance Measure	Previous Years' Results			Current Result	2006-07 Target
Albertans' Satisfaction with their Local Governments					
Percentage satisfied.	79% (2003-04)	79% (2004-05)	80% (2005-06)	79% (2006-07)	80%
Source: Focus Alberta Survey; Alberta Municipal Affairs & Housing					

For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup07/index.html

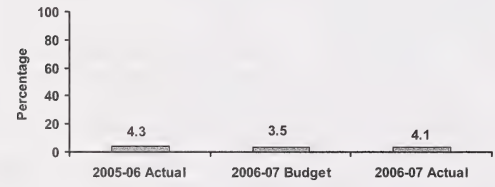
Discussion and Analysis

Albertans want communities in which they can live and raise families in safety and security without fear of personal or property crime, victimization or discrimination. This requires protection of human rights and personal privacy, crime prevention, services to victims of crime, and effective policing and fire protection. It also requires a strong and effective prosecution service, an accessible court system, cost-effective and accountable correctional services, and partnerships with the judiciary, police, community groups and other stakeholders. Albertans also want a government that is prepared to deal with emergencies and will take action to address public safety risks. In 2006-07, the Alberta government directed $1,208 million toward the protection of persons and property.

Goal Ten Expense



Percent of Total Expense



This goal includes spending of the following ministries: Employment, Immigration and Industry; Finance; Infrastructure and Transportation; Justice; Municipal Affairs and Housing; Service Alberta; Solicitor General and Public Security; Sustainable Resource Development; and Tourism, Parks, Recreation and Culture.

To address the government's top priority of **Protecting People's Private Information**, the government enhanced its principles, policies, guidelines and practices to ensure privacy and security of the personal information for which it is responsible. A project charter and tools to assist government staff in the management and protection of personal information were developed.

On March 19, 2007, Alberta introduced Bill 21 amending the *Securities Act* to further harmonize Alberta's securities regulation with other provinces and territories. Most of the proposed amendments support the Canadian Securities Administrators proposed new national registration rule targeted for implementation in 2008. These amendments were developed in consultation with other provinces and territories.

To address the government's top priority of **Saving Lives and Reducing Injury on Alberta Highways**, the government established the Office of Traffic Safety, presented an implementation plan to key stakeholders as part of the Alberta Traffic Safety Plan and initiated work on a strategy for community mobilization regarding traffic safety. Work has commenced on developing a Traffic Safety Enforcement Strategy and the province has established an Alberta Traffic Safety Enforcement Committee. The committee proposed a Joint Traffic Safety Services Calendar as a standard. The committee coordinated and harmonized the delivery of traffic safety services among all law enforcement services within the province. To further support the Traffic Safety Plan, traffic sheriffs have been deployed to patrol Alberta highways. A new driver safety program, "Getting into Gear," was introduced for educators at junior high schools. In addition, the first chronic impaired driving case was identified for application to the court for Dangerous Offender designation.

The government harmonized the delivery of traffic safety services among all law enforcement services within the province.

After two years of preparation, government is ready to launch the Alberta Relationship Threat Assessment and Management Initiative (ARTAMI) program. The program brings together a team of professionals from police, Crown, family law, mental health and social

service providers. This multi-disciplinary unit professionally assesses threats and develops risk reduction plans and safety strategies for high-risk relationship violence and stalking situations. As well, ARTAMI delivers training to diverse service providers and government agencies. Members of the judiciary have access to comprehensive assessments prepared by ARTAMI in high-risk family violence and stalking cases. ARTAMI positions Alberta at the forefront of threat assessment in family violence and stalking situations in Canada and more importantly, will hopefully save lives.

Alberta is at the forefront of threat assessment in family violence and stalking situations in Canada.

Amendments to the *Police Act* were introduced to allow for an independent agency to investigate serious and sensitive allegations concerning police officers. The development of a corrections "blueprint" was also initiated to better plan for and respond to rapidly changing demographic patterns, current and anticipated legislated requirements, social and economic factors and the changing offender profile. In addition, an agreement with Correctional Services of Canada enabled the province to house select provincially sentenced offenders at the Grande Cache Institution, which provides some additional space for rising inmate populations prior to the opening of the new Edmonton Remand Centre.

Other efforts made by the government to improve safety and emergency response include:

- creating the Alberta Emergency Management Agency to provide a one-window approach to dealing with emergencies and disasters;
- updating the draft cross-government Pandemic Influenza Plan to help ensure the province is prepared to coordinate government resources and maintain an appropriate level of service to Albertans in the event of a pandemic;
- recognizing secondary suites as a distinct housing option with the adoption of separate safety standards in the Building and Fire Codes; completing new editions of the Building, Plumbing and Fire Codes; and
- establishing working groups made up of fire service stakeholders to develop specific areas of a unifying fire service framework.

Discussion of Measures

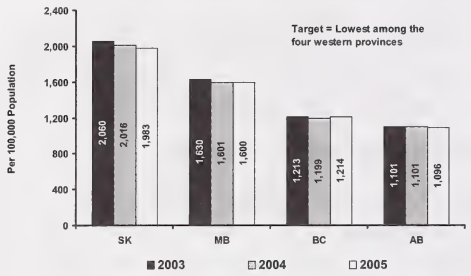
Public Perception of Safety in the Neighbourhood – Perceptions of crime in the community are shaped by a number of factors including citizens' previous victimization experience; the experiences of friends and family and media reports of crime. Although this year's result of 75% is higher than the previous year by 3%, it is lower than this year's target of 82%. This was a stretch target for the government; set with the intention of reaching an ideal level of performance. The results of this measure are stable, however. Ten years ago, in 1997, the results were similar: 74% of Albertans felt safe walking alone in their neighbourhoods.

75% of Albertans surveyed reported feeling "reasonably safe" to "very safe" walking alone in their area after dark.

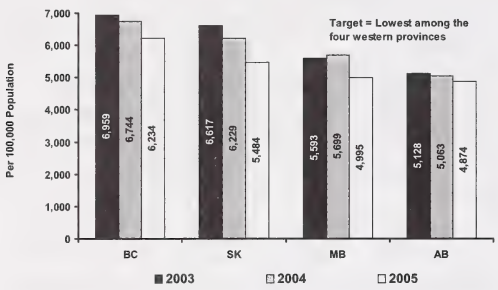
Violent and Property Crime Rates – Alberta's violent crime and property crime rates (2005) continued to meet the target, as they were the lowest of the four western provinces. In comparison to the previous year's results, violent and property crime rates improved as both rates decreased. The violent crime rate decreased to 1,096 per 100,000 population (from 1,101), and the property crime rate decreased to 4,874 per 100,000 population (from 5,063). There were 109 homicides in Alberta in 2005, an increase of 23 from the year before. Despite the increase in the number of homicides, Alberta experienced a slight decrease in the overall violent crime rate.

Alberta's violent crime and property crime rates decreased.

Violent Crime Rate



Property Crime Rate



In order to address serious, violent, and organized crime, the province implemented and supported several strategies. The Alberta Law Enforcement Response Teams (ALERT) continues to enhance the safety and security of Albertans. ALERT coordinates policing activities in joint units to reduce organized and serious crimes. The ALERT units have succeeded in reducing organized crime activities, illicit drug crimes, and have successfully targeted and charged individuals who use the Internet to prey on children.

Other actions taken by the province to effectively respond to crime and build safer communities included a variety of crime prevention initiatives such as:

- support for the second annual provincial fraud awareness month in March 2007;
- the formation of a coordinated multi-disciplinary unit to help reduce and prevent domestic violence;
- the introduction of perimeter security measures at Alberta's courthouses; and
- the funding of community-based crime prevention programs and victims' services.

Work Stoppages – In 2006-07, 99% of the Collective Bargaining Agreements were settled without a work stoppage, which exceeded the target of 98% and was an improvement over the 2005-06 result of 98%. The Alberta government ensured this positive result by providing expertise and third-party impartial support to labour and management in resolving collective bargaining disputes, promoting innovative practices, promoting alternative dispute resolution, and developing revisions to the labour relations framework where necessary. This was aided by government appointment of mediators to 106 disputes and the appointment of arbitrators to 33 arbitrations.

Alberta's vibrant economy added many challenges and difficulties in the effective resolution of labour relation issues. Spin-off effects included a shortage of skilled workers, a decrease in unemployment rates, an increase in inflation rates, and an increase in the level of business competition. These factors could result in an increased union influence and impact the level of conflict in union-management relationships and the likelihood of work stoppages. The current result of 99% was considered a major achievement given these added challenges.

Workplace Lost-time Claim (LTC) Rate – In 2006, the provincial LTC rate was 2.35 for Alberta employers, which was the lowest in over a decade. Although it missed the target of 2.0, this record-high safety performance continued the downward trend of the LTC rate in recent years (2.78 in 2003, 2.54 in 2004 and 2.41 in 2005). A LTC rate of 2.35 represents about 16,500 fewer lost-time injuries each year and over $280 million in direct annual savings to the Workers' Compensation Board – Alberta when compared to the 2000 rate of 3.4. It demonstrated the ongoing efforts of the government to increase the awareness of

Alberta's workplace lost-time claim rate was the lowest in over a decade.

workplace health and safety issues among employers and workers to reduce the probability of workplace injury and disease through the Work Safe Alberta initiative.

Effectiveness of Human Rights Protection – The percentage of adult Albertans surveyed who felt human rights were "very well" or "fairly well" protected in Alberta increased from 86.7% in 2005-06 to 88.1% in 2006-07. These results are above the target of 88%. The Alberta government remained committed to building respectful and inclusive communities by fostering equality, supporting Albertans in reducing discrimination, and helping Albertans resolve human rights complaints.

88.1% of Albertans felt human rights were "very well" or "fairly well" protected in Alberta.

In 2006-07, 113 workshops were held on building respectful and inclusive workplaces for more than 3,200 workers across Alberta. Additionally, the Help Make a Difference public service announcements were broadcasted across the province and Human Rights and Citizenship displays were set up at 19 events targeting an estimated audience of more than 2,700. An increasing number of municipalities are joining the Coalition of Municipalities Against Racism and Discrimination to help build inclusive communities and workplaces.

Measures

Societal Measure	Previous Years' Results			Current Result	Desired Result 2006-09
Public Perception of Safety in the Neighbourhood					
Percentage of Albertans who feel "reasonably safe" to "very safe" walking alone in their area after dark.	76% (2003-04)	77% (2004-05)	72% (2005-06)	75% (2006-07)	82%
Source: Justice and Solicitor General Public Opinion Survey					

Performance Measures	Previous Years' Results			Current Results	2006-07 Targets
Violent Crime Rate					
Alberta's violent crime rate per 100,000 population.	1,078 (lowest) (2002)	1,101 (lowest) (2003)	1,101 (lowest) (2004)	1,096 (lowest) (2005)	Lowest of four western provinces
Source: Canadian Crime Statistics, Canadian Centre for Justice Statistics					
Property Crime Rate					
Alberta's property crime rate per 100,000 population.	4,674 (lowest) (2002)	5,128 (lowest) (2003)	5,063 (lowest) (2004)	4,874 (lowest) (2005)	Lowest of four western provinces
Source: Canadian Crime Statistics, Canadian Centre for Justice Statistics					
Work Stoppages					
Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout).	99% (2003-04)	99% (2004-05)	98% (2005-06)	99% (2006-07)	98%
Source: Employment, Immigration and Industry					
Workplace Lost-time Claim Rate					
Number of lost-time claims per 100 person-years worked.	2.78 (2003)	2.54 (2004)	2.41 (2005)	2.35 (2006)	2.0
Source: Employment, Immigration and Industry, and Workers' Compensation Board					
Effectiveness of Human Rights Protection					
Adult Albertans' perception of how well human rights are protected in Alberta.	84.8% (2003-04)	87.6 % (2004-05)	86.7% (2005-06)	88.1% (2006-07)	88%
Source: Tourism, Parks, Recreation and Culture – Survey of Albertans					

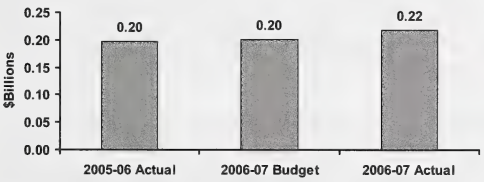
Note: Previous year Violent Crime and Property Crime rates are revised annually based on population counts.

For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup07/index.html

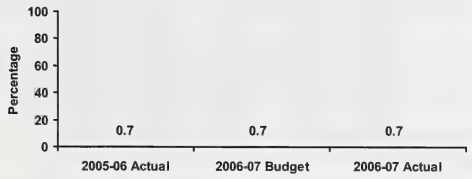
Discussion and Analysis

Albertans expect the environment to be well managed and protected as a legacy for future generations. Clean air, water and land, as well as the sustainable use of Alberta's environmental resources, are basic to Albertans' health, communities and quality of life. The Alberta government takes a leadership role in developing a comprehensive approach and fosters shared responsibility for environmental management and stewardship. In 2006-07, Alberta directed $218 million toward maintaining Alberta's environment.

Goal Eleven Expense



Percent of Total Expense



This goal includes spending of the following ministries: Energy; Environment; Infrastructure and Transportation; and Sustainable Resource Development.

Through the Sustainable Resource and Environmental Management initiative, progress was made on developing policies, guidelines and practices aimed at minimizing the industrial, commercial and recreational footprint on public lands and improving the regulation of upstream oil and gas development to reduce overlaps, inconsistencies and gaps so that stakeholders have clearer and more consistent information. Environmental and resource information systems were reviewed to identify ways to improve industry, stakeholder and public access to data and information required across government.

Implementation of Alberta's water strategy, *Water for Life: Alberta's Strategy for Sustainability* continued with the intent to achieve safe, secure drinking water for Albertans, healthy aquatic ecosystems and reliable water supplies for a sustainable economy. Alberta continued to support the development of Watershed Planning and Advisory Councils across the province.

The Regional Water and Wastewater Partnership Initiative provided funding for 90% of the capital costs of building eligible regional municipal water and wastewater pipelines. The initiative is part of the overall Water for Life strategy and includes funding for engineering feasibility studies for regional systems, plant expansions for "hub" suppliers required to serve new regional customers, and expansion of pipeline capacity to serve future regional customers. Funding was provided under Water for Life for the development of water and wastewater systems.

The Alberta government provided 90% of capital cost funding for the building of eligible regional municipal water and wastewater pipelines.

A long-term vision for managing the water supply for southern Alberta was approved through the South Saskatchewan River Basin Water Management Plan. The first of its kind in Alberta, the plan recommends new ways of managing water resources to help balance the needs of the environment and economy.

Significant enhancements were made to the provincial groundwater monitoring system. The Alberta Geological Survey's study results on water chemistry of coalbed methane reservoirs strengthened the scientific information on Alberta's groundwater. In addition, the Gas Sampling Protocol and the *Baseline Water-Well Testing for Coalbed Methane Operations* standard was developed to help ensure groundwater resources are protected through testing prior to coalbed methane development activities.

In response to climate change and as part of the *Albertans and Climate Change: Taking Action* strategy, legislation was introduced to reduce greenhouse gas emission intensity from large industry. Bill 3, *Climate Change and Emissions Management Amendment Act* and its accompanying Specified Gas Emitters Regulation state companies that emit more than 100,000 tonnes of greenhouse gases a year must reduce their emissions intensity by 12 percent starting July 1, 2007. The legislation was developed in consultation with stakeholders and is the first of its kind in Canada.

The Government of Alberta began developing a world-class system for managing risks and responding to emergencies, including environmental disasters, by implementing the recommendations made by the Environmental Protection Commission. The Alberta Environment Support and Emergency Response Team was formed, which acts as the "centre of excellence" in environmental emergency planning in Alberta. The Response Team is accountable for the overall outcomes of the province's environmental emergency response and acts as the central unit to facilitate and support coherent and coordinated department-wide environmental emergency planning and response capabilities.

Discussion of Measures

Drinking Water Safety Indicator – In 2006-07, 459 (81%) regulated systems had treatment technology in place meeting newer facility design standards. This represents an improvement in water quality technology at 3% of facilities, over the previous year. This is significantly above the target, which was conservative due to the need to reassess facilities against a more stringent new standard. The remaining facilities meet an older standard and will require upgrading over time.

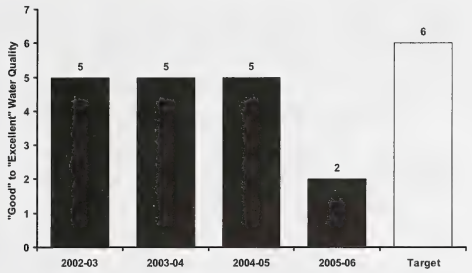
81% of regulated water treatment systems met new facility design standards.

Compliance with facility operational requirements remained at the same level in 2006-07, with 35 incidents in 28 facilities. These results did not meet the target of 20 incidents, as aggressive initial targets were set. The targets will be reviewed, based on initiatives focused on improving results.

In 2006-07, there were 43 water quality incidents that occurred at 40 facilities, so the target of no more than 45 incidents was met. The number of incidents decreased over the previous year, as did the number of facilities where these incidents occurred. Facilities are required to self-report non-compliance and the Government of Alberta annually inspects approved facilities and reports the number of non-compliance incidents. Immediate action was taken as required to correct problems.

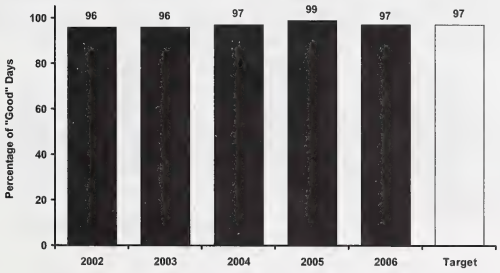
River Water Quality Index – In 2005-06, two out of six river systems continued to demonstrate "good" to "excellent" water quality. Therefore the target to have all six river systems with this high level of water quality was not met. Various natural and human factors can influence the river water quality index. Among these are: flow volume, degree of development in the basin, point source effluents that discharge into rivers, and non-point sources of runoff (such as from agricultural fields). In the current reporting period, higher-than-normal rainfall amounts in the Oldman, Bow, Red Deer, and North Saskatchewan River basins likely led to increased non-point source runoff. Nutrients and bacteria contained in the soil, both naturally and as a result of human activities, may have been collected by the runoff and contributed to higher levels of these contaminants in rivers.

River Water Quality Index



Air Quality Index – In 2006, Alberta had "good" air quality days occurring 97% of the time, which met the 97% target. The number of "fair" air quality days was greater in 2006 than the previous two years. Air quality is influenced by a number of factors including vehicle emissions, weather patterns, wildfires and intensity of industrial development.

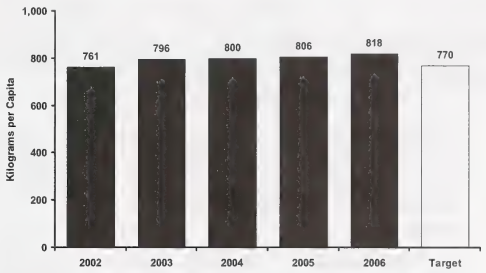
Air Quality Index



Municipal Solid Waste to Landfills – Municipal solid waste disposed in landfills increased from 806 kilograms per capita in 2005 to 818 kilograms per capita in 2006. The increase is a reflection of Alberta's continued robust economy, as it includes waste from the residential sector, the industrial, commercial and institutional sector and the construction, renovation and demolition sectors.

Solid waste disposed in landfills increased from 806 kilograms to 818 kilograms per capita.

Municipal Solid Waste to Landfills



It is anticipated that the waste disposal target will not be achieved by 2010 and an extension will be required. Aggressive and innovative approaches will be necessary in the coming years to reduce disposal to 500 kilograms per person. Initiatives currently under development will assist in reaching the target, including diversion programs for construction and demolition waste, and for leaf and yard waste. Diversion policies and programs for packaging and printed materials, additional organic materials, and other key waste streams will also be required in order to reach the waste disposal target.

Measures

Performance Measures	Previous Years' Results			Current Results	2006-07 Targets
Drinking Water Safety Indicator Evaluates performance of facilities providing safe drinking water.					
Facility Design Standards Measure is the number (and percent) of facilities meeting the most recent design standards.	377 (69%) (2003-04)	409 (75%) (2004-05)	432 (78%) (2005-06)	459 (81%) (2006-07)	355
Facility Operational Requirements Measure is the number of incidents where regulatory requirements have not been met that could lead to water quality incidents.	59 (2003-04)	45 (2004-05)	35 (2005-06)	35 (2006-07)	20
Water Quality Measure is the number of water quality incidents.	48 (2003-04)	69 (2004-05)	60 (2005-06)	43 (2006-07)	45
Source: Environment					
River Water Quality Index Evaluates the water quality of six major Alberta rivers at key sites, based on monthly data on four groups of variables (metals, bacteria, nutrients and pesticides). Source: Environment	5 out of 6 river systems had "good" to "excellent" water quality (2002-03)	5 out of 6 river systems had "good" to "excellent" water quality (2003-04)	5 out of 6 river systems had "good" to "excellent" water quality (2004-05)	2 out of 6 river systems had "good" to "excellent" water quality (2005-06)	6 out of 6 river systems have "good" to "excellent" water quality
Air Quality Index Evaluates the quality of Alberta's air based on five major pollutants: carbon monoxide, nitrogen dioxide, ozone, sulphur dioxide and fine particulate matter – $PM_{2.5}$. Source: Environment, Wood Buffalo Environment Association, Peace Airshed Zone Association, Parkland Airshed Management Zone, Fort Air Partnership and Palliser Airshed Society	"Good" air quality days 96% of the time (2003)	"Good" air quality days 97% of the time (2004)	"Good" air quality days 99% of the time (2005)	"Good" air quality days 97% of the time (2006)	"Good" air quality days 97% of the time
Municipal Solid Waste to Landfills Indicates Alberta's progress toward meeting a continuous reduction of municipal solid waste placed in landfills as measured in kilograms of waste per capita. Source: Environment	796 kg per capita (2003)	800 kg per capita (2004)	806 kg per capita (2005)	818 kg per capita (2006)	770 kg per capita

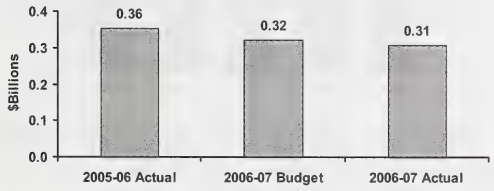
For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup07/index.html

12 Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas

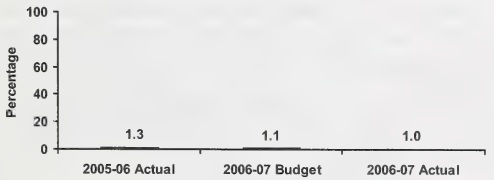
Discussion and Analysis

Albertans' opportunities to participate in community and cultural activities and their enjoyment of the province's historical resources and parks and protected areas are essential elements of a high quality of life. The government facilitates participation in community activities through supporting volunteerism, community service organizations, public libraries, sport and recreation, and arts and cultural activities. The government also preserves, protects and presents Alberta's historical resources, culture and natural heritage through provincial historic sites, museums, interpretive centres and provincial parks and protected areas. In 2006-07, Alberta directed $308 million to support recreation and cultural activities in the province, which includes funding from the Alberta Lottery Fund.

Goal Twelve Expense



Percent of Total Expense



This goal includes spending of the following ministries: Municipal Affairs and Housing; Solicitor General and Public Security; and Tourism, Parks, Recreation and Culture.

Discussion of Measures

Visitor Satisfaction with Provincial Parks and Recreation Areas – Visitor satisfaction with experiences at provincial parks and recreation areas decreased slightly from 91.1% in 2005-06 to 89.1% in 2006-07 and was slightly below the target of 91%. Visitors' satisfaction is influenced by several factors, including interactions with other visitors, programs offered during the visit, public awareness of facilities and services, service provided by contractors and park staff and the age, condition and cleanliness of facilities.

Visitor Satisfaction with Provincial Historic Sites, Museums and Interpretive Centres – In 2006-07, survey results indicate that 98.5% of visitors reported overall satisfaction with their visit to a provincial historic site, museum or interpretive centre. These results remained high, equalling the result in 2005-06, and essentially meeting the target of 99%. Considerable opportunities for Albertans and visitors to experience the province's rich cultural diversity and heritage were generated through the government's support for cultural events and through the operation of 17 provincial historic sites, museums and interpretive centres.

98.5% of visitors reported overall satisfaction with their visit to a provincial historic site, museum or interpretive centre.

Public Library Use – In 2006-07, survey results indicate that public library use decreased slightly from 51.7% in 2005-06 to 51% in 2006-07, just shy of meeting the target of 52%. However, these results may have been affected by various external influences such as library hours of operation, lifestyle choices, the availability of the internet and home-based entertainment technologies and awareness of accessing public library services online via the Internet.

Level of Community Volunteerism – In 2006-07, 65.4% of adult Albertans surveyed volunteered, a 3.5% decrease from 2005-06, falling below the target of 69%. Common barriers among non-volunteers include not having the time to volunteer and being unable to make a long-term commitment. Given a prosperous economy with an increasing job market, many Albertans who are now working do not have the same amount of free time to volunteer and are therefore giving through in-kind donations and financial donations versus volunteering their time.

12 Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas

In 2006-07, the government approved significant funding to non-profit organizations including nearly $600,000 through the Wild Rose Foundation's Voluntary Sector Advancement Program to support six community organizations to enhance community volunteerism regionally and locally; more than $4.5 million to support 141 community non-profit organizations through the Wild Rose Foundation's Quarterly Grants Program. In addition, the Alberta Non-profit/ Voluntary Sector Initiative was established to develop a Voluntary Sector Framework as a protocol to guide the working relationship between Alberta's non-profit/voluntary sector and the Government of Alberta.

The government provided nearly $600,000 to support six community organizations to enhance community volunteerism regionally and locally.

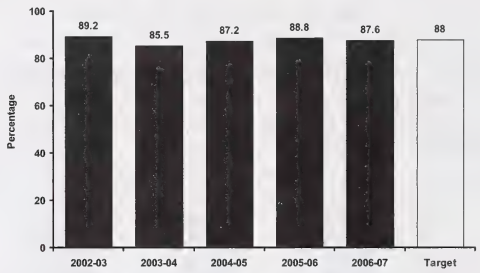
Participation in Sport and Recreation – The percentage of adult Albertans surveyed who participated in sport and recreational activities decreased slightly to 81.3% in 2006-07, remaining just below the targeted participation rate of 83%.

In 2006-07, the government promoted active lifestyles and supported sport and recreational opportunities by directing significant funding to these areas. The government approved more than 560 applications totaling more than $38 million to support community-based projects, including sport and recreational projects and community wellness initiatives through the Community Facility Enhancement Program.

The government encouraged under-represented groups to be active by supporting recommendations in the Alberta Sport Plan, which included signing a bilateral agreement with the federal government to support Aboriginal sport. The government also supported Team Alberta at the 2007 Canada Winter Games; launched the High Performance Coach Development Program; and opened Alberta Sport Development Centres to enhance and coordinate services to Alberta's emerging athletes and coaches.

Participation in Arts and Cultural Activities – The percentage of adult Albertans surveyed who attended or participated in arts and cultural activities decreased slightly from 88.8% in 2005-06 to 87.6% in 2006-07, essentially meeting the target of 88%. Albertans' decisions to attend and participate in arts events are influenced by many factors, including the wide array of entertainment options available, personal and employment commitments and the ability of arts events to attract audiences. Alberta's centennial celebrations, as well as other events supporting Alberta's artists likely contributed to the higher participation in 2005-06.

Participation in Arts and Cultural Activities



Alberta's arts and cultural scene were highlighted at the 2006 Smithsonian Folklife Festival in Washington, D.C. This initiative provided additional media coverage related to the arts, opportunities to meet with artists and cultural leaders and allowed additional activities to occur in the province. Such events help to keep arts and culture at the forefront of peoples' choices for entertainment and leisure options. In addition, opportunities were created to support Aboriginal arts through a $150,000 pilot program aimed at Aboriginal arts organizations in the province.

Alberta's arts and cultural scene were highlighted at the 2006 Smithsonian Folklife Festival in Washington, D.C.

GOAL TWELVE

Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas

Measures

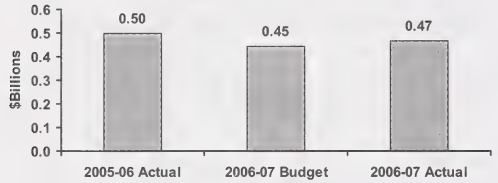
Performance Measures	Previous Years' Results			Current Results	2006-07 Targets
Visitor Satisfaction with Provincial Parks and Recreation Areas					
Visitors satisfaction with experiences at provincial parks and recreation areas.	90.4% (2003-04)	90.9% (2004-05)	91.1% (2005-06)	89.1% (2006-07)	91%
Source: Tourism, Parks, Recreation and Culture – Camper Satisfaction Survey					
Visitor Satisfaction with Provincial Historic Sites, Museums and Interpretive Centres					
Visitors satisfaction with experiences at provincial historic sites, museums and interpretive centres.	97.7% (2003-04)	97.7% (2004-05)	98.5% (2005-06)	98.5% (2006-07)	99%
Source: Tourism, Parks, Recreation and Culture – Heritage Facilities Visitor Survey					
Public Library Use					
Usage of public library services by adult Albertans.	51.2% (2003-04)	50.2% (2004-05)	51.7% (2005-06)	51.0% (2006-07)	52%
Source: Tourism, Parks, Recreation and Culture – Survey of Albertans					
Level of Community Volunteerism					
Level of community volunteerism by adult Albertans.	68.3% (2003-04)	66.5% (2004-05)	68.9% (2005-06)	65.4% (2006-07)	69%
Source: Tourism, Parks, Recreation and Culture – Survey of Albertans					
Participation in Sport and Recreation					
Participation in sport and recreational activities by adult Albertans.	80.4% (2003-04)	83.4% (2004-05)	82.4% (2005-06)	81.3% (2006-07)	83%
Source: Tourism, Parks, Recreation and Culture – Survey of Albertans					
Participation in Arts and Cultural Activities					
Participation in arts and cultural activities by adult Albertans.	85.5% (2003-04)	87.2% (2004-05)	88.8% (2005-06)	87.6% (2006-07)	88%
Source: Tourism, Parks, Recreation and Culture – Survey of Albertans					

For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup06/index.html

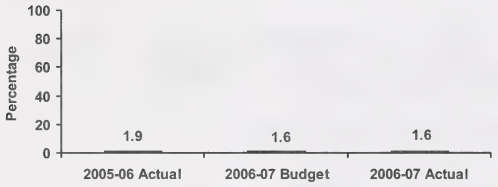
Discussion and Analysis

Alberta's seniors represent a diverse and growing population with a wide array of expectations, skills, lifestyles and social networks. Seniors are active contributors to their communities through work, recreation, caregiving, and volunteering. In 2006-07, the Alberta government directed $469 million toward the well-being and independence of seniors.

Goal Thirteen Expense



Percent of Total Expense



This goal includes spending of the following ministries: Infrastructure and Transportation; and Seniors and Community Supports.

The provincial government has taken steps to enhance its ability to assess the needs of future seniors in preparation for the aging population, and the resulting increase in the number of seniors in Alberta. This includes focusing responsibilities and resources with respect to policy and planning activities concerning seniors and the aging population and engaging academics with expertise in these subject areas. These activities assist the province in providing effective and efficient programs, services, and supports that will respond to the needs of future seniors.

The provincial government is exploring ways to best meet the needs of future seniors in an effective, efficient and sustainable way.

Under the Rural Affordable Supportive Living Program, approximately $42 million (including $15 million in Federal Housing Trust Fund dollars) was distributed to support the development of affordable supportive living accommodation. This funding resulted in the approval of more than 550 new supportive living units throughout rural Alberta.

A regulatory compliance framework, license structure and a licensing process for supportive living accommodations were developed and became effective April 1, 2007. Continuing care standards came into force at the same time. Authority was established under the *Social Care Facilities Licensing Act* to allow the province to license, set standards, and monitor and enforce compliance in supportive living facilities. Work will begin immediately to develop legislation specific to supportive living.

The province is responsible for licensing supportive living facilities and monitoring and enforcing compliance.

The government announced $800,000 in funding to the Alberta Dental Association and College to purchase two mobile dental clinics, which will serve seniors in their home communities. These clinics will contribute towards better dental health among seniors, who may not otherwise have access to dental services.

The Office of the Public Guardian delivered a wide-reaching public education campaign to encourage Albertans to plan for the future through personal directives. Kits to assist with the completion of a personal directive were developed, and close to 5,500 of these kits were distributed from regional offices.

The Government of Alberta made a significant contribution to promoting and supporting World Elder Abuse Awareness Day, including collaborating with other organizations to develop and distribute fact sheets, posters, and other materials about this event.

Discussion of Measures

Seniors' Average Total Income – In 2004, the average total income of Alberta seniors exceeded the average total income of Canadian seniors by 11.1%. This represents a continuation of the trend whereby Alberta's seniors have higher average total incomes than Canadian seniors as a whole. In 2004, the average total income of Alberta seniors was $31,945 compared to $28,765, which was the comparable amount for Canadian seniors. The incomes of seniors are comprised of a number of different sources, including government transfers, payments from the Canada Pension Plan, private pensions and investments, and employment income.

Alberta's seniors have higher average total incomes than Canadian seniors as a whole.

Self-reported Health Status – Self-reported health status is a good indicator of the health and well-being of Albertans. It is accepted across Canada as a means of reporting on population health. It measures the degree to which Albertans feel healthy compared to others their own age. Survey results indicate that in 2007, 78% of Albertans aged 65 years and over rated their health as "good", "very good" or "excellent", below the target of 80%.

78% of Albertans aged 65 years and over rated their health as "good", "very good" or "excellent".

Measures

Societal Measure	Previous Years' Results			Current Results	Desired Results 2006-09
Seniors' Average Total Income					
Difference between Alberta seniors' average total income and the national average for seniors' average total income.	+11.2% (2001)	+10.1% (2002)	+9.4% (2003)	+11.1% (2004)	Exceed the national average

Source: Statistics Canada – Small Area and Administrative Data Division, Seniors Data, Table 5, Sources of Income of Senior Individuals by Age Group

Performance Measure	Previous Years' Results			Current Results	2006-07 Targets
Self-reported Health Status*					
Rating as "excellent," "very good" or "good" (65 years and over).	78% (2004)	78% (2005)	86% (2006)	78% (2007)	80%

Source: HQCA Satisfaction with Healthcare Survey - Health Quality Council of Alberta

* Results for 2007 were from the 2007 HQCA Satisfaction with Healthcare Survey conducted by the Population Research Laboratory at the University of Alberta; results for 2006 were from the 2006 HQCA Satisfaction with Healthcare Survey conducted by IPSOS; results for 2004 and 2005 were from the Public Survey about Health and the Health System in Alberta conducted by the Population Research Laboratory at the University of Alberta.

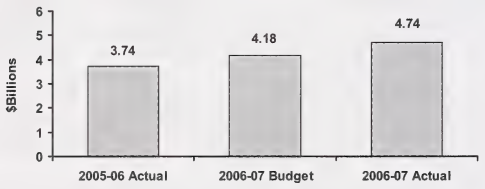
For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup07/index.html

Alberta will have a supportive and sustainable infrastructure that promotes growth and enhances quality of life

Discussion and Analysis

Effective and sustainable government-owned and supported infrastructure is essential to support the achievement of the province's other goals and to achieving the vision of a vibrant and prosperous province where Albertans enjoy a superior quality of life. Alberta has been experiencing rapid economic and population growth, placing the capacity of the province's infrastructure under pressure. In addition, the province's infrastructure is aging and reinvestment is required to ensure the integrity of existing infrastructure is maintained and public investment is preserved. The Capital Plan provides a structured approach to funding capital projects, bringing sustainability and predictability to capital spending. In 2006-07, the provincial government directed $4,743 million to support Alberta's infrastructure.

Capital Plan Investment



The capital plan investment details can be found in the Expense table of the Government of Alberta 2006-07 Annual Report Executive Summary.

This goal includes Capital Plan spending which is the total value of capital being acquired or directly supported by the provincial government. It includes grants to local authorities for capital purposes, which are also included in Goals 1 to 13 expense amounts (2005-06 Actual: $2,660 million; 2006-07 Budget: $2,662 million; 2006-07 Actual: $3,448 million), spending on provincial government-owned capital, and the value of projects being alternatively financed. It does not include capital amortization and financing costs.

To address the government's top priority of **Building Infrastructure for Our Future**, the Capital Planning Initiative provided oversight for the cross-ministry prioritization of capital initiatives in support of program requirements.

The prioritization process led to the identification of the highest-priority cross-government capital initiatives. A framework for a new long-term capital plan is being developed to investigate strategies to address the impact of escalation on capital projects, manage more capital projects through alternative financing models, and address the deferred maintenance backlog. The long-term plan will consider needs related to growth, consistent with government's strategic objectives, and explore options to fund capital projects. It is anticipated that a comprehensive plan will be completed in the fall of 2007.

A framework for a new long-term capital plan will consider needs related to growth and consider options to fund capital projects.

An agreement signed on March 21, 2006 with municipal and federal governments will provide funding to projects under the Canada-Alberta Municipal Rural Infrastructure Fund for green infrastructure in Alberta communities, such as water and wastewater systems, and cultural and recreation facilities. Additional agreements were reached on the Federal Transfer Fund and Passenger Rail, and Urban Transit Security Contribution Program.

Previous agreements were administered and include $476.9 million over five years under the Federal Funding for Cities and Committees agreement providing long-term stable funding to municipalities to support environmentally sustainable infrastructure.

The Infrastructure Canada-Alberta Program contributed $12 million for projects involving green municipal infrastructure, local transportation, culture and recreation, tourism, rural and remote telecommunications, high-speed Internet access for local public institutions, and affordable housing.

The Alberta Municipal Infrastructure Program (AMIP) provided $585 million for core municipal capital infrastructure, such as roads, repaving,

bridge repairs, transit vehicles and facilities, sewer upgrades, water treatment facility expansions and recreational facilities. Over the five-year term of the AMIP program, $3 billion will be directed to municipalities to help address their infrastructure needs.

SuperNet has made high-speed Internet access available through Internet service providers (ISPs) to more communities than ever before. Currently, 208 of 402 SuperNet communities have at least one ISP. Considerable work was done in 2006-07 to safeguard the reliability and stability of the network. Government continues to invest in the SuperNet through the health care and education sectors by piloting applications such as videoconferencing and voice over Internet protocol. These services enable high-speed linkages across vast distances between citizens, students, government, communities, businesses, schools, and health care facilities.

More than half of Alberta communities have high-speed Internet access through SuperNet.

The province has expanded capacity to repair, replace or upgrade various infrastructure. In 2006-07, $32.6 million was provided as part of a multi-year commitment to address the deferred repair, renewal or replacement of basic provincial park facilities and infrastructure such as picnic tables, washrooms, trails, roads, and water and sewer systems.

The province is addressing the deferred repair, renewal or replacement of basic park facilities and infrastructure.

This funding also supported the completion and official opening of Dinosaur Provincial Park Visitor Centre and the Boreal Centre for Bird Conservation. The centres will provide interactive, interpretive and environmental education programming to enhance visitor experiences.

In 2006-07, $15 million was provided for the Art Gallery of Alberta and $20 million for the Calgary Zoo through the Centennial Legacies Grant Program. Since the beginning of the program, over 100 major cultural, recreational and community facilities were supported, leaving a lasting legacy of almost $1 billion worth of community-based infrastructure for Albertans.

In collaboration with the Regional Health Authorities, the provincial government assisted communities in identifying local supportive living needs. More than 550 supportive living units were approved based on needs assessments, which included the current supportive living options and level of service available in the community, population growth, projected needs, and care priorities.

Affordable supportive living was expanded with the approval of over 550 units, and 628 new units were supported to address Alberta's affordable housing shortage.

Through affordable housing initiatives delivered by the province, 628 new units were supported to address Alberta's affordable housing shortage in high-growth, high-need communities.

In 2006-07, the Premier established the Alberta Affordable Housing Task Force to find innovative and practical ways to make affordable housing more accessible and available to Albertans. The task force, comprised of representatives from municipalities, business and opinion leaders, industry associations and the non-profit sector, considered solutions for homelessness and affordable housing, including subsidized rental and home ownership. The task force submitted their report to the government entitled *Housing First – An Investment with a Return in Prosperity*. The report contained recommendations on eight immediate measures to respond to the current urgent situation, as well as five short-term and numerous long-term solutions to alleviate affordable housing shortages, address homelessness and to sustain future economic growth.

Discussion of Measures

Physical Condition of Health Facilities – Government is providing the health authorities with an unprecedented commitment of capital funding for renovation and expansion projects at existing health care facilities and the construction of new facilities. Much of this funding is being used to provide additional acute care bed capacity at various hospitals in our major urban and regional centres. This funding is needed to reduce waiting times as well as increased capacity in areas such as surgical, diagnostic, ambulatory and emergency care.

In Edmonton, the new Mazankowski Alberta Heart Institute and Edmonton Clinic will enhance treatment options available to Albertans and advance priority research and innovation initiatives for both Capital Health and the University of Alberta. At the Royal Alexandra Hospital, construction of the new Robbins Pavilion is well underway. In Calgary, major expansion projects are now well underway at the Foothills Medical Centre, Peter Lougheed Centre and Rockyview General Hospital. The new South Calgary Health Campus will also respond to the significant population growth in the Calgary health region.

Capital funding is committed for renovation and expansion projects at existing health care facilities and the construction of new facilities.

Expansion of regional and community hospitals is progressing in Lethbridge, Rimbey, Edson, Barrhead and Viking. Older hospitals are being replaced in High Prairie and Fort Saskatchewan and a new hospital will be built in Sherwood Park. Older long-term care facilities are being replaced in Red Deer, High Prairie, Vermilion and Vegreville.

In 2006-07, 67% of health facilities were reported in "good" physical condition; however, this result does not meet the target of 72%. Health facilities continue to have high ratings in physical condition. The percentage in "fair" condition increased from 26% in 2005-06 to 28% in 2006-07, due to a number of facilities previously rated "good" slipping into the "fair" category, as a result of the continued aging of the facilities.

Health facilities continue to have high ratings in physical condition.

Physical Condition of Learning Facilities – In 2006-07, 71% of schools were rated in "good" physical condition. Although this result exceeded the target of 65%, it is slightly lower than the 2005-06 result of 73%. The proportion of schools rated as "fair" increased slightly, moving up 1% from the 2005-06 result to 26% for 2006-07. Continued investment in revitalizing or replacing older facilities will cause the overall condition of school facilities to increase.

71% of schools were rated in "good" physical condition.

The total allocation for school capital projects, including infrastructure maintenance and renewal, increased to $579 million in the 2006-07 fiscal year and included $378 million for completion of previously announced projects; francophone projects; new state-of-the-art steel-framed modular classrooms, and cost escalation dollars to address current construction market conditions for previously announced projects. The investment was to address health and safety concerns, community growth and enrollment changes.

The infrastructure and maintenance renewal portion of the funding for school capital projects increased to $81 million and added one time funding of $119 million to provide $200 million for the 2006-07 fiscal year, to allow boards to maintain their school facilities to ensure that students' learning environments remain safe and healthy.

School boards were asked to submit their 2007-10 capital plan projects in the following categories: new schools (in response to community needs); major modernizations or preservation of existing schools; and steel-framed modular classrooms. Boards were asked to prioritize their projects to assist government in identifying appropriate school facilities that allow all students every opportunity to succeed. Principles for identifying the priorities included: healthy, safe and secure learning environments; student spaces in the right places; community-based, long-term solutions; and value for money. The information is being used in the capital planning process for schools.

School Boards were asked to prioritize their projects to assist government in identifying appropriate school facilities that allow all students every opportunity to succeed.

Government is exploring various innovative and creative options and solutions for addressing school infrastructure issues across Alberta, with an eye to cost-efficiency and responding to emergent infrastructure needs.

In 2006-07, 60% of post-secondary institutions were rated in "good" condition, exceeding the planned target and previous 2004-05 results of 55%. The percentage of post-secondary institution facilities rated in "fair" condition decreased from 35% in 2005-06 to 30% for 2006-07, as some facilities previously rated "fair" in 2005-06 have been rated "good" for 2006-07. A portion of the improvement can be attributed to a change in institutions re-classifying recommended remedial events from maintenance items to functional upgrades, which are not included in the measure. Also, all supported post-secondary institutions were provided a software system that now enables them to update data and identify facility deficiencies or new events that will require attention. This has resulted in more accurate and timely data for the facility condition measure.

60% of post-secondary institutions were rated in "good" condition.

The provincial government announced the provision of $1.5 billion in the period 2006 to 2009 for both preservation and expansion projects at public post-secondary institutions, of which preservation and maintenance projects total $241 million and expansion projects total $1.3 billion. Capital projects under construction will result in capacity in both rural and urban institutions for an additional 16,000 students by 2012.

Post-secondary preservation and expansion projects under construction will result in capacity for both rural and urban institutions.

Construction of the facilities required for the University of Calgary's Faculty of Veterinary Medicine began in 2006-07 and will be completed in preparation for the first class of Veterinary Medicine students in the fall of 2008.

Significant projects have been undertaken to increase the province's research capacity, including the Health Research Innovation Centre and the Faculty of Veterinary Medicine at the University of Calgary; the Health Research Innovation Facility and the Centennial Centre of Interdisciplinary Science at the University of Alberta; and the Alberta Water and Environmental Sciences Building at the University of Lethbridge.

Various projects have been undertaken to increase the province's research capacity.

Physical Condition of Government-owned and Operated Buildings – The percentage of government-owned and operated facilities over 1,000 gross square metres that were rated in "good" physical condition in 2006-07 was 40%, below the target of 48%. The percentage of buildings rated as "fair" and "poor" condition were 56% and 4% respectively, compared to the

targets of 49% and 3%. Although the results have been steady over the past few years, many government-owned and operated facilities were built between 1975 and 1985 and are approaching a time when major upgrading or refurbishment will be required to maintain them. Renovations to the Southern and Northern Jubilee Auditoriums and Lougheed House were completed in 2005 and resulting reevaluations have moved condition rating of these facilities, totaling over 40,000 square metres, to a rating of "good" physical condition. The new Leduc Agrivalue Business Incubator facility was completed adding 7,900 square metres of space for business development programs supporting agriculture-based processing businesses.

Physical Condition of Provincial Highways – The province continues to manage, expand and maintain the provincial highway network consisting of approximately 31,000 kilometres, of which approximately 27,000 kilometres are paved. In 2006-07 the province rehabilitated over 400 kilometres of highway and continued to provide innovative solutions to accommodate increasing traffic volumes safely. In 2006-07, 60.6% of highways under provincial jurisdiction were in "good" physical condition, below the target of 66%. The percentage of highways rated as "fair" and "poor" condition were 25.4% and 14% respectively, compared to 2006-07 targets of 23% and 11%.

Approximately 27,000 kilometres of the provincial highway network has been paved.

Effective Water Management Infrastructure – The government continues to operate, rehabilitate and maintain over 100 major provincially-owned water management infrastructure projects, including dams, diversion headworks, main canal systems, and water level control structures. This infrastructure provides water to sustain irrigation, agricultural, municipal and industrial requirements. The operation of this infrastructure allows Alberta to meet its obligations and commitments to apportionment agreements with other provincial and international jurisdictions. Environmental benefits of operating and maintaining this infrastructure include mitigation of the effects of floods and drought and augmentation of instream flow needs in support of aquatic based habitat. In 2006, the percentage of the province's water management infrastructure in "good" physical condition was 97.0%, which exceeds the 2005-06 values (95.5%).

In 2006, the percentage of water management infrastructure in "good" condition continued to be very high.

Alberta will have a supportive and sustainable infrastructure that promotes growth and enhances quality of life

Measures

Performance Measures	Previous Years' Results			Current Results	2006-07 Targets
Physical Condition of Health Facilities					
(Percentage):					
Good	84.0	71.0	70.0	67.0	72.0
Fair	11.0	25.0	26.0	28.0	24.0
Poor	5.0	4.0	4.0	5.0	4.0
Source: Infrastructure and Transportation	(2003-04)	(2004-05)	(2005-06)	(2006-07)	
Physical Condition of Learning Facilities					
(Percentage of schools):					
Good	52.0	61.0	73.0	71.0	65.0
Fair	42.0	36.0	25.0	26.0	32.0
Poor	6.0	3.0	2.0	3.0	3.0
	(2003-04)	(2004-05)	(2005-06)	(2006-07)	
(Percentage of post-secondary institutions):					
Good	45.0	51.0	55.0	60.0	55.0
Fair	39.0	37.0	35.0	30.0	35.0
Poor	16.0	12.0	10.0	10.0	10.0
Source: Infrastructure and Transportation	(2003-04)	(2004-05)	(2005-06)	(2006-07	
Physical Condition of Government-owned and Operated Buildings					
(Percentage):					
Good	47.0	44.0	43.0	40.0	48.0
Fair	49.0	53.0	53.0	56.0	49.0
Poor	4.0	3.0	4.0	4.0	3.0
Source: Infrastructure and Transportation	(2003-04)	(2004-05)	(2005-06)	(2006-07)	
Physical Condition of Provincial Highways – Physical Condition of Pavement					
(Percentage):					
Good	65.5	65.5	63.0	60.6	66.0
Fair	23.3	23.3	24.1	25.4	23.0
Poor	11.2	11.2	12.9	14.0	11.0
Source: Infrastructure and Transportation	(2003-04)	(2004-05)	(2005-06)	(2006-07)	
Effective Water Management Infrastructure – Physical Condition of Headworks, Dams and Irrigation Canals					
(Percentage):					
Good	n/a	93.3	95.5	97.0	Maintain
Fair	n/a	6.1	3.6	2.9	2005-06
Poor	n/a	0.5	0.9	0.1	values
Source: Environment		(2004-05)	(2005-06)	(2006-07)	

n/a Data not comparable.

Note: "Good" is defined as adequate for intended use and expected to provide continued service life with average maintenance. "Fair" means aging components are nearing the end of their life cycle and require additional expenditure for renewal or refurbishing. "Poor" means upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

For more information, see the measures methodology at http://www.finance.gov.ab.ca/publications/measuring/measup07/index.html

Expense by Goal[1]

(millions of dollars)

	Goal	2005-06 Actual	2006-07 Budget	2006-07 Actual
1	Alberta will have a diversified and prosperous economy	1,781	1,789	1,908
2	Albertans will be well prepared for lifelong learning and work	6,900	7,629	7,975
3	Alberta's international competitiveness will be enhanced	2,362	2,079	2,207
4	Alberta's children and youth will be supported in reaching their potential	811	918	900
5	Albertans will be healthy	9,709	10,462	10,878
6	Albertans will be self-reliant and independent and those unable to provide for their basic needs will receive help	1,691	1,785	1,824
7	The well-being and self-reliance of Aboriginal communities and people will be improved	38	64	57
8	Alberta will have a financially stable, open and accountable government	1,104	1,238	1,188
9	Alberta will have strong and effective partnerships with municipal, provincial, territorial, federal and foreign governments	381	377	367
10	Alberta will be a fair and safe place to work, live and raise families	1,162	999	1,208
11	The high quality of Alberta's environment will be sustained	198	202	218
12	Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas	355	323	308
13	The vitality and independence of Alberta's seniors will be supported	499	447	469
Total Program and Debt Servicing Expense		26,991	28,312	29,507

Expense by Goal by Ministry, 2006-07 Actual[1]

(millions of dollars)

	Goals													
	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Legislative Assembly	-	-	-	-	-	-	-	70	-	-	-	-	-	70
Advanced Education and Technology	192	2,314	-	-	-	-	-	-	-	-	-	-	-	2,506
Agriculture and Food	1,068	-	-	-	-	-	-	-	-	-	-	-	-	1,068
Children's Services	-	-	-	900	-	-	-	-	-	-	-	-	-	900
Education	-	5,422	-	-	-	-	-	-	-	-	-	-	-	5,422
Employment, Immigration and Industry	133	234	4	-	-	473	2	1	-	41	-	-	-	888
Energy	166	-	-	-	-	-	-	44	-	-	13	-	-	223
Environment	-	-	-	-	-	-	-	-	-	-	151	-	-	151
Executive Council	-	-	-	-	-	-	-	21	-	-	-	-	-	21
Finance	22	-	-	-	55	-	-	231	296	26	-	-	-	630
Health and Wellness	-	-	-	-	10,705	-	-	-	-	-	-	-	-	10,705
Infrastructure and Transportation	20	5	2,160	-	28	-	-	393	3	39	26	-	2	2,676
International, Intergovernmental and Aboriginal Relations	-	-	14	-	-	-	41	-	10	-	-	-	-	65
Justice	-	-	-	-	-	60	-	-	-	271	-	-	-	331
Municipal Affairs and Housing	-	-	-	-	-	235	-	31	58	50	-	24	-	398
Seniors and Community Supports	-	-	-	-	90	1,038	-	-	-	-	-	-	467	1,595
Service Alberta	3	-	-	-	-	-	-	174	-	83	-	-	-	260
Solicitor General and Public Security	-	-	-	-	-	18	-	-	-	434	-	2	-	454
Sustainable Resource Development	179	-	4	-	-	-	-	-	-	258	28	-	-	469
Tourism, Parks, Recreation and Culture	125	-	25	-	-	-	14	-	-	6	-	282	-	452
Treasury Board	-	-	-	-	-	-	-	8	-	-	-	-	-	8
Total Program Expense	**1,908**	**7,975**	**2,207**	**900**	**10,878**	**1,824**	**57**	**973**	**367**	**1,208**	**218**	**308**	**469**	**29,292**
Debt Servicing Costs	-	-	-	-	-	-	-	**215**	-	-	-	-	-	**215**
Total Program and Debt Servicing Expense	**1,908**	**7,975**	**2,207**	**900**	**10,878**	**1,824**	**57**	**1,188**	**367**	**1,208**	**218**	**308**	**469**	**29,507**
Pension Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	**158**	**158**
Total Expense	**1,908**	**7,975**	**2,207**	**900**	**10,878**	**1,824**	**57**	**1,188**	**367**	**1,208**	**218**	**308**	**469**	**158**	**29,665**

[1] The allocation of expense by goal is derived from the Expense by Function amounts in the Government of Alberta 2006-07 Consolidated Statement of Operations. For Goal 14, see Capital Plan Investment under the Goal 14 Discussion and Analysis.

Expense by Core Business[1]

(millions of dollars)

	2005-06 Actual	2006-07 Budget	2006-07 Actual
Health (Linked to Goal 5)	9,709	10,462	10,878
Education (Linked to Goal 2)	6,900	7,628	7,976
Human Support Services (Linked to Goals 4, 6 and 13)	2,707	2,952	2,931
Transportation, Communications and Utilities (Linked to Goals 1 and 3)	2,328	2,043	2,169
Agriculture, Resource Management and Economic Development (Linked to Goals 1 and 3)	1,816	1,845	1,959
Protection of Persons and Property (Linked to Goal 10)	1,162	999	1,208
Regional Planning and Development (Linked to Goals 7 and 9)	410	410	400
Recreation and Culture (Linked to Goal 12)	355	323	308
Housing (Linked to Goals 6 and 13)	293	199	262
Environment (Linked to Goal 11)	198	202	218
General Government (Linked to Goals 8 and 9)	865	1,004	983
Total Program Expense	26,743	28,067	29,292
Debt Servicing Costs (Linked to Goal 8)	248	245	215
Total Program and Debt Servicing Expense	26,991	28,312	29,507
Pension Provisions	200	147	158
Total Expense	27,191	28,459	29,665

[1] The government's core businesses correspond to the Expense by Function amounts in the 2006-07 Consolidated Statement of Operations except for Human Support Services which corresponds to the Social Services expense function. See Core Businesses Key below.

Core Businesses Key

The following is a brief description of the general areas of the government's work for each of its core businesses.

Agriculture, Resource Management and Economic Development – includes programs and services related to agriculture, fish and game, oil and gas, forestry, economic development for industry and trade, tourism and other economic sectors, labour force development and immigration, and research establishments. Also includes provincial grants for related capital infrastructure.

Debt Servicing Costs – includes interest and other charges pertaining to servicing of the public debt, including debt-servicing costs for accumulated debt obligations, which are matched to investments locked into the Debt Retirement Account.

Education – includes early childhood services to secondary education (e.g., school boards, schools, teachers, curricula, textbooks and classroom resources), post-secondary education (e.g., universities, colleges, apprenticeships, industry training and support to adult learners) and retraining (skills upgrading). Also includes provincial grants to local authorities for related capital infrastructure.

Environment – includes programs and services related to sustainable environmental management, ensuring safe and adequate supplies of water, actions taken on climate change and protection of the land.

General Government – includes the Legislature, the Lieutenant Governor, government and legislative staff and officials, international and intergovernmental relations, and general administration (including budgeting and accounting, tax and revenue collection, and communications).

Health – includes health services for all Albertans, including hospital services, medical care, drug programs, preventive care, x-rays, alcohol and drug rehabilitation, and health services for persons with disabilities. Also includes provincial grants to local authorities for related capital infrastructure.

Housing – includes housing of seniors, low-income families and those with special needs. Also includes provincial grants for related capital infrastructure.

Human Support Services – includes services for people in need including child protection services, income support for adults and seniors, services for victims of crime, provision of legal aid, supports for people with disabilities and support for those unable to work due to illness or disability.

Protection of Persons and Property – includes programs and services related to public security, policing, the judicial system, human rights, maintenance enforcement, firefighting, related regulation, labour relations, safe work environments, and correctional and rehabilitation services.

Recreation and Culture – includes programs and services related to recreation, sport, culture, historical artefacts and sites, museums, libraries, and provincial parks and protected areas. Also includes provincial grants for related capital infrastructure.

Regional Planning and Development – includes community and regional development affairs and services including planning and zoning, Aboriginal communities, and land claim negotiations and settlements.

Transportation, Communications and Utilities – includes programs and services related to provincial transportation including air, road and rail transport, telecommunications, pipelines, and gas and electricity utilities. Also includes provincial grants to local authorities for related capital infrastructure.

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